ACCELERATE
THE TRANSFORMATION

Annual and Sustainability Report 2024

Epiroc

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Sustainability Report

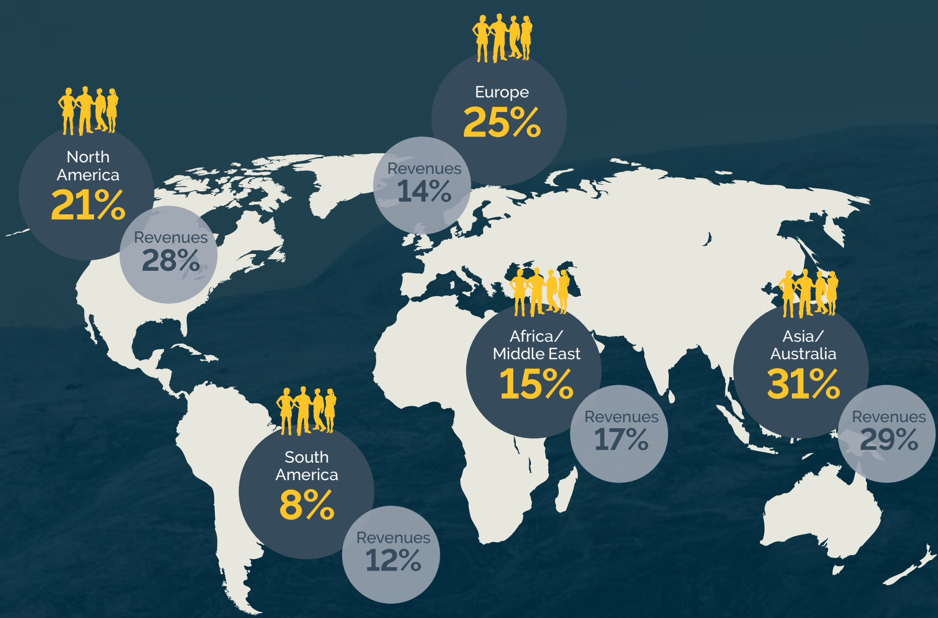
Annual Report

Leading productivity and sustainability partner

With ground-breaking technology, Epiroc develops and provides innovative and safe equipment, such as drill rigs, rock excavation and construction equipment as well as tools for surface and underground hard-rock applications. We also offer world-class service and other aftermarket support as well as solutions for automation, digitalization and electrification. Our role is to ensure that our customers within mining and infrastructure can work in the safest, most environmentally friendly, and efficient way possible.

Global presence

Employees and revenues*



*Average

Equipment

Our equipment is mainly used when customers need to break, excavate and work with hard materials, such as rock and concrete. It is often business critical for our customers. We provide a wide range of battery-electric equipment and electrification solutions, as well as hardware and software for automation and digitalization. Underground and surface applications represent roughly half of equipment revenues each.

Mining
78%
of orders received 2024

Surface mining

A significant portion of the world's deposits of copper, gold and iron ore is found above ground in what is normally referred to as "open pits". For surface mining, we provide a complete range of rigs for blasthole drilling. Our largest drill rigs, the Pit Vipers, can drill holes up to 40 cm in diameter with up to 20 meters clean hole single pass capability.

Underground mining

Underground mining is becoming increasingly common. For underground applications, we provide a complete range of rigs for face- and production drilling and rock reinforcement, loaders, trucks, utility vehicles, and ventilation systems. We have the widest offering of battery-electric machines in the market as well as electric infrastructure solutions and Batteries as a Service.

Exploration

Exploration is performed to ensure a continuous supply of minerals and metals, both in the search for new deposits and in the expansion of existing ore bodies. We provide a wide range of exploration drill rigs, tools and digital solutions to analyze ore.

Infrastructure
22%
of orders received 2024

Surface infrastructure

Construction work above ground often involves removing rock at urban construction sites or producing aggregates (in quarries) for roads and buildings. It could also involve drilling for water or geothermal energy. We provide drill rigs for blasthole drilling for both construction work and quarries. We also supply well-drilling equipment.

Underground infrastructure

Underground construction work is carried out, among other things, for road and railway tunnels and for hydropower plants. We offer rigs for face drilling and rock reinforcement, grouting systems, loaders and trucks, utility vehicles, as well as ventilation systems.

Equipment
32%
of orders received 2024

Aftermarket

Equipment requires spare parts, maintenance and consumables to achieve optimal performance. We offer a wide range of aftermarket solutions, including circular services, midlife services, diesel-to-battery conversions and remanufacturing of components. The type of service our customers want varies. Our service offering is therefore tailor made, ranging from supplying spare parts to having service technicians on site 24/7, performing all maintenance for the customer.

Service

Thanks to our global network of workshops and service technicians, we can support our customers anytime and anywhere. We focus on availability through strategically located distribution centers and an efficient supply chain.

Examples of services and solutions:

- Replacement parts and kits.
- Service agreements and audits.
- Circular services, incl. midlife services and remanufacturing solutions for components.
- Other service solutions, incl. custom-engineered solutions,
- Live Work Elimination, and training.
- Digital solutions, open and OEM-agnostic capabilities, incl. connectivity, collision prevention systems and automation solutions.

Tools

We offer a wide range of efficient drilling tools that provide our customers with the best possible drilling quality, the most drilled meters per hour and the lowest production cost.

Examples of tools:

- Rock drilling tools.
- Tools for rock reinforcement.
- Exploration drilling tools (reported in Equipment).

Attachments

We offer a wide range of high-quality attachments for use in, for example, rock excavation in construction and mining, for deconstruction, and for recycling.

We also offer advanced ground engaging tools (GET) installed on mining buckets and loaders as well as related digital solutions, mainly for the mining industry.

Examples of attachments and GETs:

- Hydraulic breakers.
- Shears and pulverizers.
- Concrete cutters and busters.
- Quick couplers and thumbs.
- Drum cutters.
- Excavator grapples.
- Excavator magnets.
- Crusher and screening buckets.
- Digital solutions for monitoring, optimization, loss detection and analytics
- Ground engaging tools, such as teeth, lip shrouds, and protective shrouds.

Aftermarket

68%

of orders received 2024

2024 in brief

Orders received
MSEK 62 213
+6%

Revenues
MSEK 63 604
+5%

Operating margin, EBIT, %
19.5%

Return on capital employed
20.6%

Operating cash flow
MSEK 9 132
+47%

Dividend (proposed)
SEK/Share
3.80

Progress in safety
TRIFR down to 4.3 (5.1)

Automation leadership
3 450 driverless machines, including mixed fleet

Acquisitions (completed)
Five acquisitions
Approx. MSEK 5 440 in annual revenues

In the picture: The Minetruck MT66 S eDrive, launched during MINExpo in Las Vegas, USA, in September, is the first large-capacity mine truck with both an electric drivetrain and a powerful diesel engine ("hybrid"). It combines the cost-effectiveness of a traditional mine truck with the productivity of an electric one, without requiring change to a mine's infrastructure. Customers enjoy up to 15% boost in productivity due to higher speed (+11% up ramp) and increased payload capacity. It also reduces fuel consumption by up to 7%.

2024 in brief

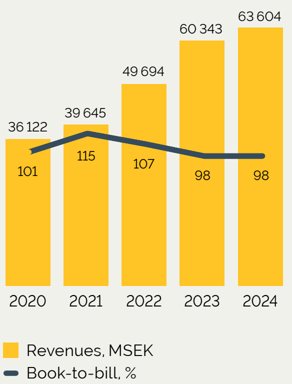
In 2024, orders received and revenues for Epiroc reached record highs, supported by acquisitions and strong demand from mining customers. Demand for solutions for automation was particularly strong. The demand from customers active within construction was however weak, which impacted profitability negatively. The adjusted operating margin was 19.8% (21.7) and several actions to improve profitability were taken. To remain the technology leader within automation, digitalization and electrification, Epiroc continued to invest in innovation. In addition, several acquisitions were completed, strengthening Epiroc's position further.

In brief

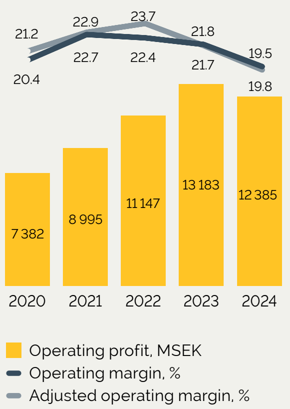
	2024	2023	Δ,%	Example of goals	Average 2015-2024 [2]
Orders received, MSEK	62 213	58 899	6		
Revenues, MSEK	63 604	60 343	5	To achieve annual revenue growth of 8% over a business cycle and to grow faster than the market. Growth will be organic and supported by selective acquisitions.	Annual revenue growth of 9%
Operating profit, EBIT, MSEK	12 385	13 183	-6		
Operating margin, EBIT, %	19.5	21.8		To have an industry-best operating margin, with strong resilience over the cycle.	20.3
Adjusted operating margin, EBIT, %	19.8	21.7			
Operating cash flow, MSEK	9 132	6 211	47		
Basic earnings per share, SEK	7.23	7.82	-8		
Dividend per share, SEK	3.80 [1]	3.80	0	To provide long-term stable and rising dividends. The dividend should correspond to 50% of net profit over the cycle.	50% pay-out ratio (2018-2024)
Return on capital employed, %	20.6	27.0		To improve capital efficiency and resilience. Investments and acquisitions shall create value.	25.0
Net debt/EBITDA ratio	0.93	0.49		To have an efficient capital structure and the flexibility to make selective acquisitions. The goal is to maintain an investment grade rating.	BBB+
Total injury frequency rate (TRIFR) [3]	4.3	5.1	-16	Target for 2024 was below 4.5.	
Sick leave, %	2.2	2.1	5	Target for 2024 was below 2.5.	
CO_2e emissions from operations (on-site), ktonnes [4]	22.8	27.8	-18	Target for 2024 was 26.0	
CO_2e emissions from use of sold products, ktonnes [6]	5 709	5 653	0	Target for 2024 was 6 325	

[1] Proposed by the Board. [2] See pages 42-48. [3] Number of recordable injuries per million hours worked. [4] Comparable units, excluding new reporting units in 2024. [5] Carbon dioxide equivalent, CO_2e, is a unit that standardizes the climate effects of various greenhouse gases. [6] Read about methodology update and recalculations performed during 2024 in section Metrics and targets in ESRS E1.

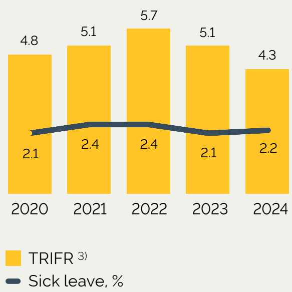
Revenues and book-to-bill



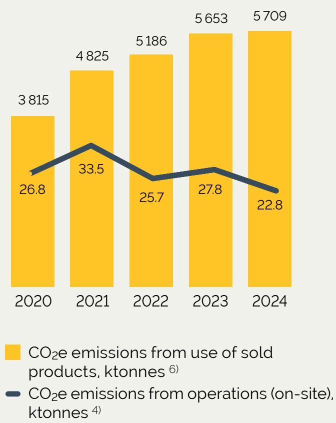
Operating profit and margin



Total recordable injury frequency rate and sick leave



CO_2e emissions from use of sold products and operations (on-site)



Epiroc stands strong for profitable growth

In 2024, orders received and revenues for Epiroc reached record highs, supported by acquisitions and a strong demand from mining customers. The demand was particularly strong for automation solutions. Profitability was impacted negatively by dilution from acquisitions and weak demand from construction customers, and we took actions to improve efficiency, including reducing our workforce. To create further value for our customers, and remain the technology leader within automation, digitalization and electrification, we expanded our presence in attractive niches through acquisitions and continued to invest heavily in R&D. Epiroc stands strong for profitable growth and we look to the coming years with confidence.

Long history of creating customer value

At Epiroc, we have a long and proud history of creating value for our customers. Since the first rock drill was manufactured in Stockholm, Sweden, in 1905, we have found ways to spot new trends and widen our offering organically and through acquisitions. Historically, some notable expansions relate to rock drilling tools in 1988, hydraulic attachments in 2002, surface drilling equipment in 2004 and in automation, digitalization and electrification since 2017.

In 2024 we yet again positioned Epiroc for growth, including completing our largest acquisition ever; Stanley Infrastructure, which further strengthen our presence in the attachments business. In total, we completed five strategic acquisitions during the year that will strengthen our position long term. To ensure we remain at the forefront of automation, digitalization and electrification, we continued to invest heavily in innovation, in total more than SEK 2 billion.

Strong mining, mixed infrastructure

In 2024, we achieved record-high orders, up 6% to SEK 62.2 billion. Organically, our orders increased 3%, driven by the strong demand from our mining customers, which represented 78% of orders. Both our equipment and service offerings saw significant interest, with a particularly strong demand for our automation solutions, including mixed-fleet solutions. At year end, we had an automated fleet of more than 3 450 driverless machines of mixed brands, up 21% from 2023. Within electrification, we also saw good development, including customers more than doubling their usage of our battery-electric vehicles (BEV) in operations.

A large portion of our orders derive from what we define as service. The fleet of Epiroc machines in operations is larger and older, 8.4 years on average, than ever. This, in combination with our widened offering of circular service solutions, such as midlife services and spare parts remanufacturing, as well as digital solutions, led to strong service growth. In total, the service orders grew by 6% organically.

Demand from infrastructure customers, representing 22% of our orders, was mixed. We had solid demand from customers within tunneling and civil engineering, while demand from construction customers remained weak. The further weakening of the construction markets in USA and Europe impacted mainly our specialty attachments business negatively.

Revenues and profitability

Revenues were record high and increased 5% to SEK 63.6 billion, corresponding to an organic growth of 2%. Acquisitions contributed with 5%, mainly explained by Stanley Infrastructure.

The operating profit, EBIT, decreased 6% to SEK 12.4 billion, and includes items affecting comparability of net MSEK -239. The adjusted operating margin was 19.8%. The weak construction demand as well as dilution from acquisitions, mainly Stanley Infrastructure, had a significant negative impact. The dilution from acquisitions on Group EBIT was -1.0 percentage points.

We took several actions to improve efficiency, leading to a significant reduction of our workforce. For example, we consolidated manufacturing sites, renegotiated service agreements, and found more efficient ways of working with the help of digital tools. Further measures for increased efficiency have been initiated and will continue during 2025.

Working capital

Our net working capital increased 12% to SEK 24.3 billion, mainly explained by acquisitions and currency. This corresponds to 37.4% of revenues. In the second half of the year, we improved the net working capital, mainly driven by higher equipment deliveries which lowered our inventory.

Record-high operating cash flow and solid financial position

Our operating cash flow was record high and amounted to SEK 9.1 billion, up 47%. The cash flow improvement is mainly explained by better working capital development, and I can assure you that we work hard on improving it further. Our cash conversion rate, i.e. operating cash flow/net profit, was 104%. We ended the year with a solid financial position and a net debt /EBITDA of 0.93, despite a high acquisition pace.

Acquisitions to gain speed

Acquisitions are a way for us to accelerate growth and build leadership positions in attractive niches. In 2024, we finalized five acquisitions with combined revenues of more than SEK 5.4 billion.

The acquisition of Stanley Infrastructure and ACB+ strengthen our position within specific niches in the infrastructure and construction markets. One strong trend for construction customers is that they use smaller and fewer

excavators, equipped with more and versatile specialty attachments to get the job done. With these acquisitions, we now have a much more comprehensive offering of both attachments and quick couplers, making us an attractive partner for distributors and end-customers.

Despite the weak market environment for attachments in 2024, we are confident that these acquisitions position us well to capitalize on a strong structural growth trend in urban development, deconstruction and recycling. Long term, the construction market is anticipated to grow 4-5% annually, with attachments used for deconstruction and recycling of steel and copper expected to grow even more.

On July 3, 2024, we acquired the remaining shares of ASI Mining, a mining automation specialist and our collaboration partner in the Roy Hill project in Australia. In this project, we are converting a mixed fleet of almost 80 haul trucks to driverless operations. When this project is complete, we will have the created the world's largest autonomous mixed fleet mine. We first invested in ASI Mining in 2018.

Innovation leadership

Innovation is at the heart of Epiroc. With close to 2 000 R&D engineers globally, roughly 10% of our workforce is dedicated to developing value-creating solutions for our customers. In 2024, we invested more than ever in R&D, more than SEK 2 billion, and had several successful product launches.

One highlight of the year was the world's largest mining industry exhibit, MINExpo in Las Vegas, with over 44 000 visitors from 126 countries. There we showcased many of our groundbreaking innovations. One innovation that attracted significant interest was the large-capacity Minetruck MT66 S eDrive, a "hybrid" with both an electric drivetrain and a powerful diesel engine. Epiroc aims to remain in the forefront of a rapidly changing industry by offering the most effective solutions within automation, electrification and digitalization.

It is clear that our equipment, our aftermarket support, and our automation, digitalization and electrification solutions, have created more value than ever for our customers in 2024. Let me give you some examples:

Automation:
The number of driverless machines in operation at our customers increased by 21%, now exceeding 3 450, in 2024. I am excited about the uptake for our automation solutions, including mixed-fleet products for both surface and underground applications. These applications deliver proven benefits for our customers, including increased productivity, improved safety, and lower emissions. We are a trusted partner for automation and remote-control solutions regardless of manufacturer or type of equipment.

Digitalization:
The orders for our digital solutions grew 30%, and we won two large orders in Australia for wireless connectivity solutions for mines. Robust and reliable wireless networks are crucial for supporting mining automation and digitalization, which are strategic growth areas for us.

Electrification:
We also had good progress within electrification. In 2024, the share of revenues from electrification solutions was 4.2%. We know that our customers share our ambition to reduce emissions, but we are also aware of that every mine is different and need different solutions to succeed. We aim to provide the best machine, regardless of energy source and therefore offer a wide range of solutions: Cable-electric equipment, high-performing BEVs (with NMC batteries) with universal/standard charging and thermal management system , trolley-electric equipment, diesel-electric equipment ("hybrid") and engines for HVO biofuel.

We were pleased that our electrification customers are increasing, and the total utilization of the fleet of BEV in operations have more than doubled during 2024. In total, 39 mining sites globally have ordered BEVs since 2018, and of the sites with BEVs in operation, 28% have ordered additional BEVS.

High proportion of recurring business

As our equipment is often performance-critical and used in harsh environments, the demand for consumables and spare parts is high. By providing reliable aftermarket support, tools and attachments, we can build strong relationships with customers, and it ensures that customers can maximize the lifespan and efficiency of their equipment.

One area with particularly strong growth in the year was circular services, such as midlife rebuilds, upgrades and remanufacturing solutions for components. Our customers pay less than if they were buying a new machine or component, and it is a sustainable option. In total, the aftermarket represented 66% of the Group revenues.

Leaders in safety

At Epiroc, we always put safety first. Safety for our customers when they use our products and for our employees, including our 7 150+ service technicians that support our customers. We have made good progress regarding our own safety in the year, but I am especially proud of all the safety solutions we have provided our customers with. For example, with our Collision Avoidance System Level 9 (CAS 9), which is the market's highest level of collision prevention system, we can really help customers save lives. It is a proactive intervention system that takes control of a vehicle in dangerous situations and intervenes if the operator fails to act in response to warnings. We have provided more than 100 such systems, which makes us one of the largest players in this space.

A responsible market leader

Being a market leader with customers in around 150 countries comes with great responsibility. By providing our customers with more efficient and safer equipment and solutions, we reduce their costs and emissions, while protecting people.

We require that all employees sign and adhere to our Code of Conduct and that our suppliers adhere to our Business Partner Code of Conduct. We have signed the UN Global Compact and support the 10 principles in the areas of human rights, labor, environment and anti-corruption.

Our sustainability work is also recognized externally. TIME Magazine and research firm Statista named Epiroc as one of the "World's Best Companies in Sustainable Growth 2025". 500 companies were evaluated based on financial growth and environmental stewardship. Epiroc was ranked 166th overall and among the Sweden-based companies, Epiroc was the highest-ranked.

Our approach and 2030 climate targets, approved by the SBTi, align with the European Union's aim for a climate-neutral economy by 2050. During 2025, we will work on developing a transition plan in line with the goals of the Paris agreement.

Strategy for value creation and sustainable profitable growth

2024 was a successful year for Epiroc. This Annual and Sustainability Report describes our strategy for profitable growth. We aim to create value for our customers through our innovative equipment and aftermarket solutions, attract motivated employees by focusing on responsible business practices and sustainable development. and provide strong financial returns to shareholders by increased efficiency.

Thank you to all colleagues for your dedication to innovation and improvement, helping Epiroc stay ahead and create value for everyone.

Helena Hedblom, President and CEO
January 2025

Helena on leadership: "As a leader, it is nice to see that one's leadership works in difficult situations. It is clear that it is more inspiring to work with technology shifts, acquisitions, and running businesses than dealing with crises, such as pandemics and exiting major markets. But I believe that if you want to be a leader, you must be able to do both".

Value-creating strategy

By being in attractive niches and prioritizing innovation, aftermarket and operational excellence, we strive to outperform. Our success is reinforced by our strong company culture and our integrated approach to sustainability.
This is how we accelerate the transformation.

Our roots go back to 1873 as part of Atlas Copco, and Epiroc became an independent, listed company in 2018. Our unique strengths and strategy focus on attractive niches, aiming to outperform.

We see ourselves as a 150+ year-old startup, enabling quick decision-making and rapid innovation. We combine the agility of a young company with the reliability of long-standing customer relationships.

Vision
Dare to think new

Mission
We accelerate the productivity and sustainability transformation in our industry

Our core values
Innovation, Commitment and Collaboration

Our value-creating strategy is also our investment case

We create value for our stakeholders

We create value for our stakeholders by conducting responsible business while striving to achieve sustainable and profitable growth. Creating options for the future – for example through acquisitions – is embedded in our strategy. Our key criteria for acquisitions are stand-alone attractiveness, strategic fit, synergies, and the potential to become or remain market leader.

See pages 14-15

We focus on attractive niches with structural growth

We are present in attractive niches where our technically advanced equipment and aftermarket solutions are performance-critical for customers' operations and make a real and positive difference. The mining and infrastructure industries benefit from structural growth in demand.

See pages 16-19

We accelerate the productivity and sustainability transformation in our industry

Together with customers and business partners, we develop safe and sustainable products and solutions that increase productivity and lower costs. Automation, electrification and digitalization are key growth trends that define our innovation efforts.

See pages 20–31

We have a high proportion of recurring business

Our aftermarket solutions and our global service presence increase the productivity and extend the service life of our equipment while also strengthening our customer relationships. By constantly developing new solutions and services, we can further grow our resilient aftermarket business.

See pages 32-35

We have a well-proven business model

We have a focused and decentralized business that can be adapted quickly and efficiently when demand changes. Our strength is based on a high proportion of direct sales, a strong service business and a flexible manufacturing philosophy. We relentlessly strive for operational excellence.

See pages 36-37

Our success is based on sustainability and a strong corporate culture

Sustainability is the keyword which guides us on what we do and our innovation agenda goes hand-in-hand with our customers' sustainability agenda. Epiroc has a strong corporate culture with passionate employees, which is our foundation for being an attractive employer and a high-performing organization. Our culture is a competitive advantage.

See pages 38-41

1

Value for our stakeholders

We create value for our stakeholders by conducting responsible business while striving to achieve sustainable profitable growth. This is fundamental in our customer offering and helps us attract and retain motivated employees. Financially, we strive to provide superior value creation through a combination of strong operating performance, efficient use of capital, and stable and rising dividends to our shareholders. This will be achieved through our agile adaption to more cyclical capital equipment demand, combined with a resilient and growing aftermarket business.

Total A share return since listing

136%

Including reinvested dividend, corresponding to a total yearly return of 14.1%.

Financial goals

Growth

Annual revenue growth of 8% over a business cycle.

- 9% CAGR since 2015.
- 5% revenue growth in 2024.

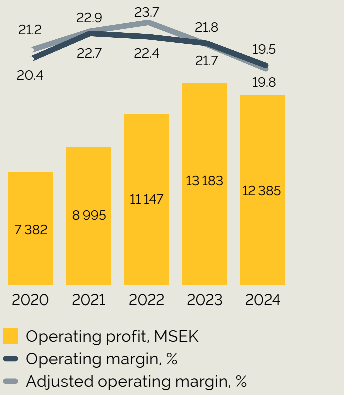
Revenues

Profitability (EBIT)

Industry-best operating margin, with strong resilience over the cycle.

- Average EBIT margin of 20.3% since 2015.
- EBIT margin of 19.5% in 2024.

Operating profit and margin

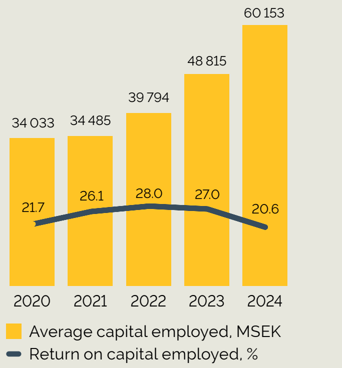


Capital efficiency (ROCE)

Improve capital efficiency and resilience. Investments and acquisitions shall create value.

- Average ROCE of 25.0% since 2015
- ROCE in 2024 20.6%.
- Acquisitions diluted the margin in 2024 with -1.0 percentage points.

Return on capital employed (ROCE)



Capital structure

Net debt/EBITDA

Have an efficient capital structure and have the flexibility to make selective acquisitions. The goal is to maintain an investment grade rating.

- Rating BBB+.

Dividend

Provide long-term stable and rising dividends to our shareholders.

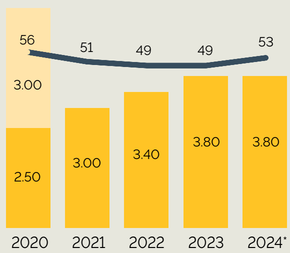
The dividend should correspond to 50% of net profit over the cycle.

- Average 50% payout since 2018.
- SEK 3.80 dividend proposed, corresponding to 53% of net profit (payout).

Extra distribution (redemption) per share, SEK
Dividend per share, SEK
Payout ratio, %

*Proposal by the Board.

Dividend and pay-out



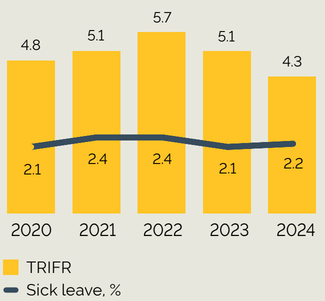
2030 goals for people

Safety

No work-related injuries.

- TRIFR 4.3, an improvement from 6.0 in base year due to relentless focus on safety and safety awareness training.
- The sick leave increased somewhat to 2.2% from 2.1% in base year.

Total recordable injury frequency rate and sick leave

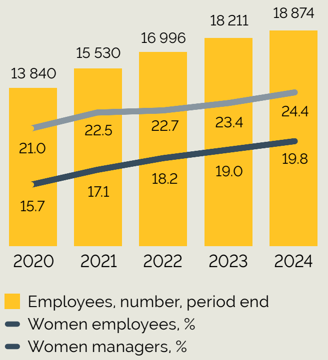


Inclusion and diversity

Balanced workforce and double the number of women in operational roles.

- 24.4% women managers, up from 19.3% in base year.
- Women in operational roles 14.5%, up from 11.2% in base year.

Employees, and women managers and employees



Compliance

Walk the talk.

- Have all employees and business partners comply with our Code of Conduct and Responsible Sales Assessment Process implemented.

Highlights in 2024

- 100% managers confirmed compliance to the Code of Conduct,
- 99% of employees confirmed compliance.
- 100% significant suppliers confirmed compliance to the Business Partner Code of Conduct.
- Continued implementation of the Responsible Sales Assessment, launched in 2019.

2030 goals for planet

Operational CO_2e reduction

Halve CO_2e emissions in operations.

- Reduction by 47% since base year.

90% renewable energy in own operation.

- 59% vs. 39% in base year.

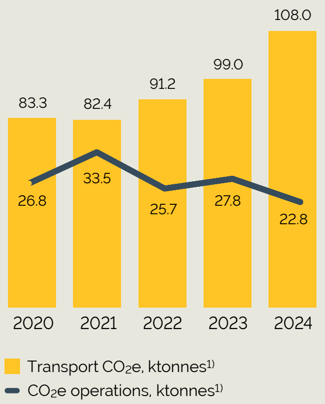
Halve transport CO_2e emission.

- Reduction by 24% since base year.

Require 50% reduction of CO_2e emissions from relevant suppliers.

- Increase by 11% since base year.

CO_2e emissions[1] from own operations (on-site) and transport (Scope 3)



[1] Comparable units, excluding new reporting units in 2024

Offerings CO_2e reduction

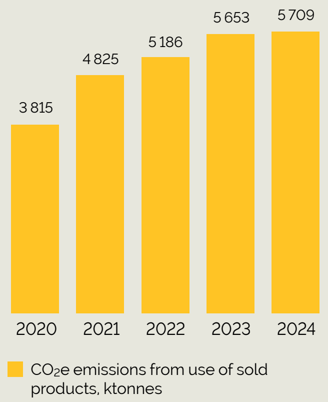
Halve CO_2e emissions from machines sold

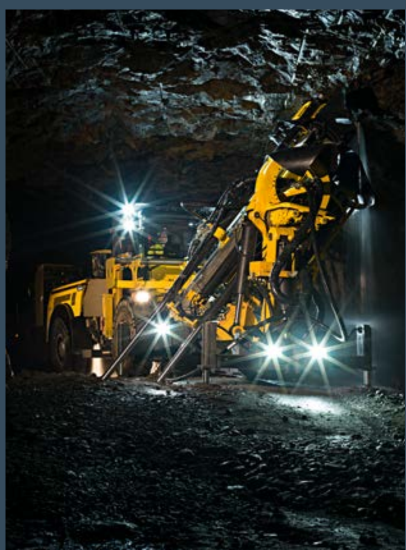
- Reduction by 9% since base year.

Offer a full range of emissions-free products.

- 42% of fleet available in emissions-free option vs. 35% in base year.

CO_2e emissions from use of sold products (Scope 3)





Read more about Epiroc's sustainability goals on page 40.

For CO_2e reduction metric definitions, see section Metrics and targets in ESRS E1 on page 97.

2

Attractive niches with structural growth

Our customers, found within selected niches of mining and infrastructure, serve an important purpose. They build communities and having access to metals and minerals is a prerequisite for a sustainable society. Epiroc's role is to ensure that our customers can work in the safest, most sustainable and efficient way possible.

Performance-critical solutions

Epiroc offers equipment, aftermarket, and other solutions for applications in primarily hard rock formations. Often, our equipment is performance-critical to the customers' operations. We have a large number of customers, ranging from small local players to global companies, most of whom are found in mining and infrastructure.

Customers' costs for our solutions usually correspond to only a small portion of their full operating costs, but should the equipment not perform, lower productivity as well as lower revenues and profits for the customer may be the result. Reliability is therefore very important. Our insight, local service presence and high availability of spare parts and components are valued by customers.

The greatest challenges for our customers are to increase the productivity and utilization rate of the equipment while reducing operating costs. In addition, customers place great emphasis on improving both safety and environmental performance. We continuously widen our offerings to help our customers address these challenges.

Mining

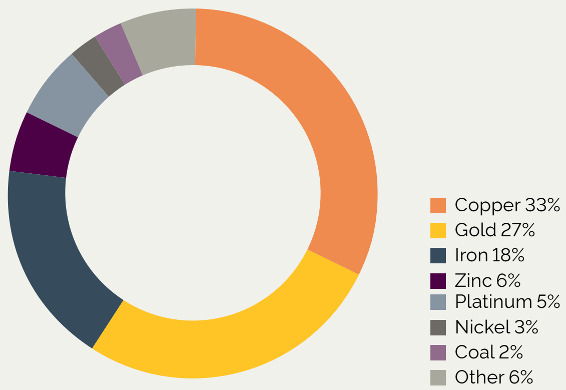
78% of orders received

Our mining customers are often large companies, operating several mines, both on surface and underground, but also smaller mining companies and mining contractors. It is a truly global market.

Customers that extract copper and gold make up a large proportion of our orders received. In the coming years, the extraction of several minerals to which Epiroc has exposure is expected to increase, for example copper, gold and nickel. Some of these minerals are also needed for the transition to a low-carbon economy. This should lead to increased demand for mining equipment and aftermarket solutions.

As our equipment is often used in demanding environments, regular maintenance and replacement of spare parts is necessary to ensure productivity. Customers' demand for aftermarket services is usually relatively stable over the business cycle as maintaining production is prioritized even in challenging times.

Mineral exposure (orders received)



Our mining customers have ambitious sustainability agendas. In addition to safety, reduced environmental impact is also important to our customers. We are seeing signs of a similar development in infrastructure.

Our research and development projects aim to enable and accelerate the sustainable transformation of the industry and we often collaborate with customers to develop new technology and scale it globally once proven successful.

Infrastructure

22% of orders received

Our infrastructure and construction customers are active both underground and above ground. Underground, our rock drilling equipment is used in tunneling for roads, railways and hydroelectric power plants. Above ground, we offer rock drilling equipment for construction work and quarries, and Specialty attachments for construction and recycling.

In infrastructure, we have a broad customer base with both large global customers and small local customers. The main markets are found in the northern hemisphere, where USA, Western Europe, China and India are the largest ones. During 2024, Epiroc finalized a large acquisition in the USA, Stanley Infrastructure, which increased the exposure towards the infrastructure customers from 17% to 22%.

Due to the geographical exposure, the demand and orders are typically seasonally stronger during the first half of the year.

The growing global population and urbanization are two long-term growth drivers for infrastructure investments. In total, the construction market is expected to grow 4-5% per year in the long term, however, in 2023 and 2024, the global construction market was weak.

Strong customer relationships

We meet our customers primarily through direct sales and local service, which contributes to strong customer relationships.

Approximately 84% (89) of our revenues in 2024 derived from direct sales. Examples of customers are: Anglo American, Barrick Gold Corporation, BHP, Boliden, Dumas Contracting Ltd., Eurasian Resources Group (ERG), Freeport-McMoran, Glencore, Hindustan Zinc (Vedanta Group), Kamoa Copper, Newmont , Peñoles, Pilbara Minerals, Rio Tinto, Roy Hill, Sibanye Stillwater, Skanska and Vale.

In 2024, our ten largest customers accounted for 20% (23) of Epiroc's revenues. All of these ten are mining customers but none of them are dominant in size.

Strong position in a competitive environment

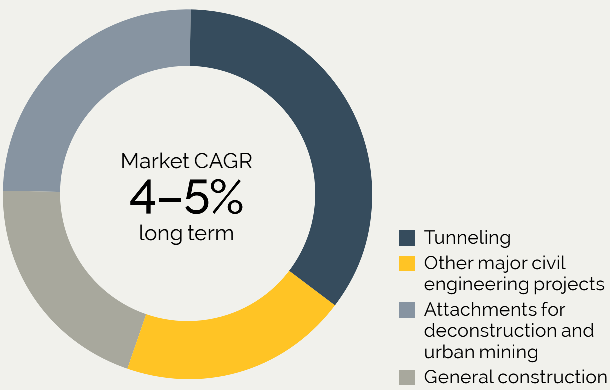
With our long history and innovative solutions, we have established technology leadership in the industry. Our performance-critical products require a strong aftermarket network, which makes the entry barriers high. A main competitor within equipment is Sandvik, which we meet within rock drilling, loading and hauling in hard-rock applications.

Other competitors include Caterpillar in the market for underground loading and haulage and open pit mining equipment, Furukawa in surface drilling equipment and hydraulic attachments, Boart Longyear for exploration drilling equipment and rock drilling tools, and Komatsu in the market for underground and open pit mining equipment and hydraulic attachments.

Within digitalization, automation and electrification, we compete with several players, globally and locally, depending on technology.

For specialty attachments, we have a wide range of local and regional competitors.

Infrastructure exposure and expected annual infrastructure market growth



We have strong global presence and the right solutions to help customers solve their challenges and accelerate the sustainability transformation

Structural growth
- Growing population and middle class
- Urbanization
- Green transition
- Deconstruction and recycling

Increases the underlying need for minerals and infrastructure

Challenges for customers
- Low utilization rates
- Lower ore grades
- Trend towards underground mining
- Costs and space limitations

Increases the demand for solutions to maintain, or increase, productivity and production

Sustainability focus
- Increased safety
- Lower emissions

Increases the demand for solutions that enhance safety and productivity while also reducing the environmental footprint

According to the World Bank, around 3 million people move to urban areas every week and by 2050, 68% of the world population will live in urban areas.

The share of underground mining is increasing, especially for minerals such as gold and copper. Lower ore grades, deeper deposits and more regulatory pressure to conduct underground mining, instead of open pit mining, contribute to the trend towards underground mining.

Epiroc offers the highest Collision Avoidance Level for safer mining operations: Level 9. If the operator does not act, the system will take interventional control and stop the machine.

Structural growth

For the foreseeable future, we expect structural growth in the niches we operate in. A growing world population and middle class as well as urbanization are driving the demand for metals and investments in infrastructure. In the mining industry, energy transition and sustainable transformation are the most important structural drivers. For example, the electrification transition requires increased mining of metals such as copper and nickel.

Positive trends that benefit demand for our attachments are deconstruction and recycling (urban mining). Metals such as copper, steel and aluminum are separated and recycled when buildings or infrastructure are deconstructed and/or demolished. Despite the strong trend in recycling, we anticipate that a significant amount of new raw material needs to be extracted in order to meet the growing demand.

Challenges for customers

Our mining customers are exposed to challenges in their operations, such as low utilization rates, declining ore grades and deeper mines. Our construction customers have challenges relating to urban areas, limited space and market uncertainties. These trends require innovative and advanced solutions to maintain, or increase, productivity and production.

Challenge 1 - Low utilization rate

The utilization rate of equipment in mining and infrastructure is generally lower than in many other industries. In an underground mine for example, the utilization rate of machines can be as low as 48%.

By using advanced solutions such as fleet management, automation and connectivity, including data-driven service and monitoring, customers can achieve a higher utilization rate and thereby higher productivity and lower operating costs. Our offering of battery-electric vehicles has proven to be more productive than the diesel equivalent, which helps customers increase productivity, while reducing both emissions and cost of ventilation.

Challenge 2 - Lower ore grades

Historically, the ore grade, which is a measure of the proportion of minerals in the rock, has decreased steadily. For example, the global average of copper ore grades has decreased by 1-3% per year over the past 30 years.

Lower ore grades means that more rock must be excavated for a given amount of produced metal. To compensate for lost productivity, customers increasingly invest in efficient and productivity-enhancing solutions, including digital solutions aiming to improve the full mine-flow, from exploration to loading on ships.

Positive trends that benefit demand for our attachments are deconstruction and recycling (urban mining). This market is expected to grow 5% per year until 2030.

"The sustainability transformation requires more mining of metals such as copper and nickel."

Challenge 3 - Trend towards underground mining

The share of underground mining is increasing, especially for copper. Lower ore grades, deeper deposits and more regulatory pressure to conduct underground mining, instead of open pit mining, contribute to the trend towards underground mining.

Today, an estimated quarter of all global copper mining takes place underground, and it is expected to grow to about 30% by 2030. The existing underground mines are also getting deeper - on average 30 meters each year. Deeper mines mean higher demand for enhanced safety features, automation and battery-electric equipment.

Automation contributes to both increased safety as well as better utilization of the equipment. Battery operations mean lower need for ventilation, which means large cost savings along with healthier working environment.

Challenge 4 - Costs and space limitations

Construction and deconstruction in tight urban areas presents challenges such as limited space, noise and emission restrictions, and the need to minimize disruption to surrounding structures and communities. Workers also have to be kept safe, and emissions reduced while at the same time, customers need to navigate economic fluctuations and market uncertainties. One strong trend is that customers have smaller and fewer excavators, but instead use more and versatile specialty attachments to get the job done.

Epiroc's innovative solutions, including tiltrotators and battery-driven drilling machines, are designed to meet the specific needs of construction projects in tight urban areas, ensuring safety, efficiency, and minimal disruption.

Sustainability focus

Our customers' sustainability ambitions are constantly increasing. Improved safety, reduced emissions, lower noise levels, reduced water consumption, human rights and business ethics are more and more important for both our customers and Epiroc. Other strong trends are deconstruction and recycling (urban mining) as well as other circular solutions.

Through innovation – particularly within automation, digitalization and electrification – we are achieving measurable safety and environmental gains.

We have a wide range of solutions that help our customers improve their safety performance.

In the shift to a new, low-carbon economy where electrification and circularity play key roles, our products and services will be even more critical for our customers success.

We have ambitious 2030 sustainability goals and on page 38 we outline how we contribute to our customers' decarbonization journey.

3

Accelerate the productivity and sustainability transformation in our industry

We have a high ambition level when it comes to performance. We always prioritize productivity, safety and reduced environmental impact when we develop new products and services. In fact, our innovation agenda goes hand in hand with our customers' sustainability agenda.

To remain a technology leader in the industry, we dare to think new when it comes to innovation. We invest more than ever, promote an innovative culture, and collaborate with customers, suppliers, and other business partners.

Since we became an independent company in 2018, we have made several innovation leaps. For example, we have made mixed-fleet automation work at scale, we have a complete electrification offering with enabling solutions that go beyond machines, such as charging stations, electrical infrastructure and service components.

We have also created a full suite of digital solutions to really deliver the mine of the future to our customers (see customer benefits on page 24). In addition, we have taken a leadership position within safety. To make sure that we bring as much value as possible to our customers we collaborate on innovation in four different ways.

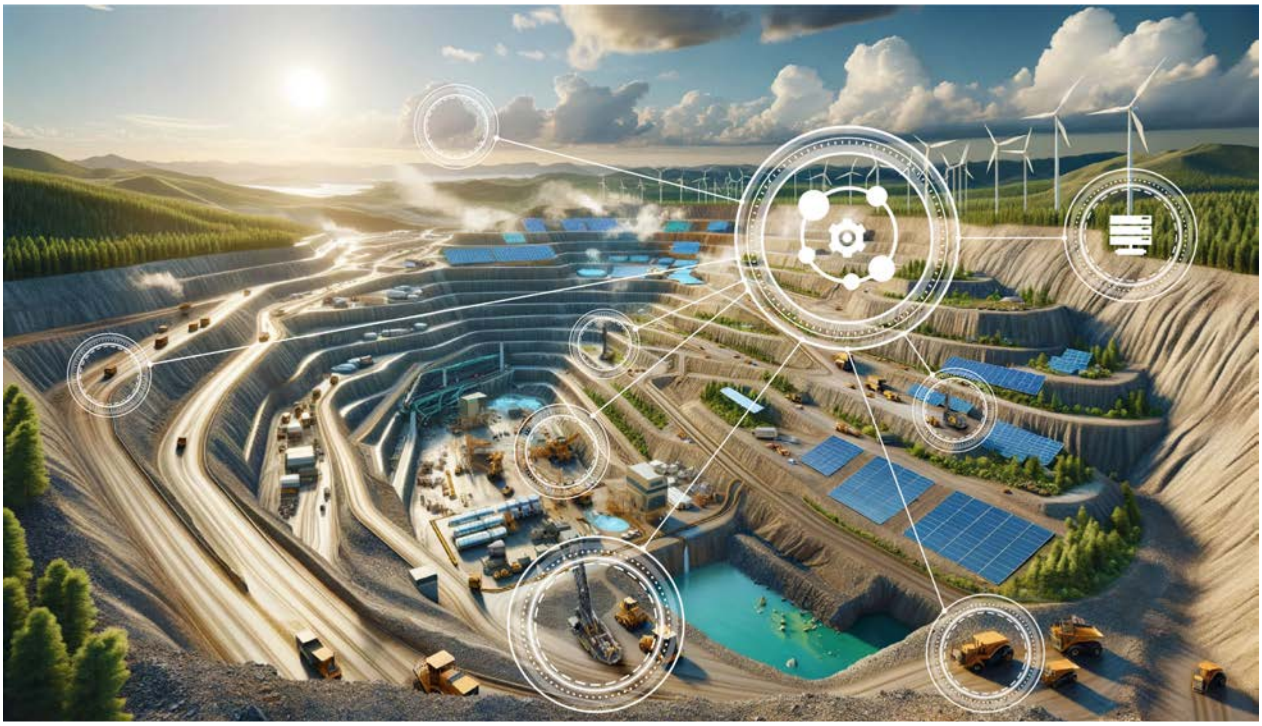
1) We invest in what we refer to as "Internal R&D", which corresponds to 3.6% (3.2) of our revenues.

2) We also use suppliers to help us find the best components and parts to our equipment. Roughly 75% of the product costs is purchased material.

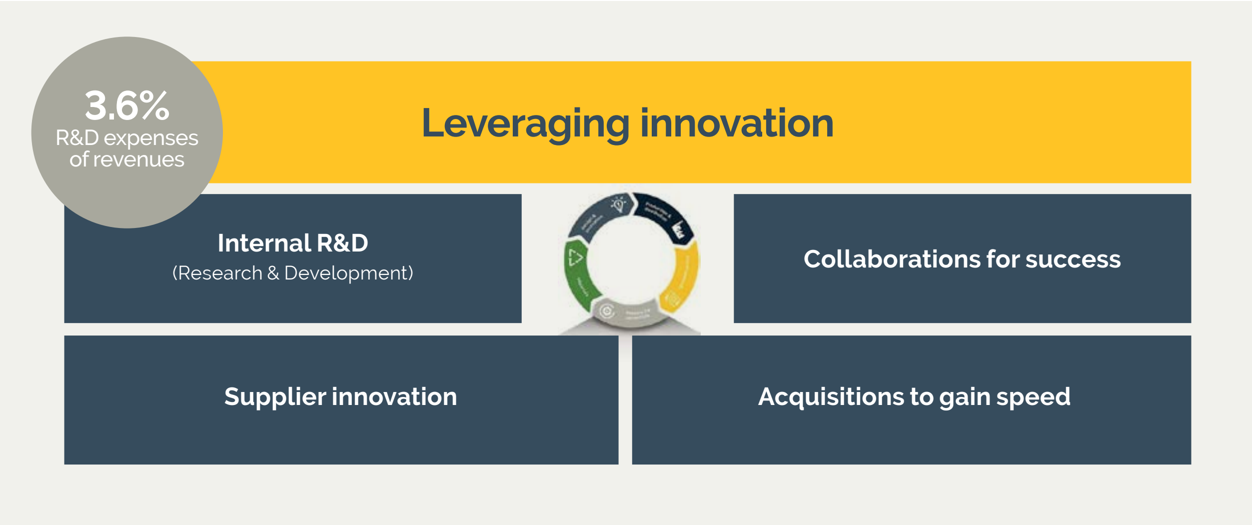
3) Our focus on innovation also extends beyond what we do ourselves to collaborations with customers, universities, and others.

4) And finally, we acquire companies to build and strengthen our leadership.

In the center of our innovation strategy, we have circularity. We are a true believer that circularity will be key in the future, and it all starts at in the R&D phase.



Epiroc envisions the mine of the future as autonomous, connected, and sustainable. This includes using electric vehicles, seamlessly connected systems, 5G connectivity, and advanced mixed-fleet automation to enhance safety, efficiency, and environmental impact.



Focused R&D

Innovation is in our DNA, and we have engaged more than 1 900 (1 800) R&D engineers globally. This means, that of our employees, 10% (10) are constantly working on innovative equipment and solutions to support our customers.

We focus on manufacturing critical core components in-house to ensure quality and reliability, while also assembling parts sourced from suppliers. This combination allows us to maintain high efficiency and agility in the production process.

Our equipment stands out for its innovative technology, sustainability, versatility, and advanced safety features, making it highly efficient and reliable for various applications in mining and infrastructure. In addition, we are a leader in the three strong technology trends that shape our industry onwards: digitalization, automation, and electrification. A vast majority of our innovation efforts lie within these areas.

Trend: Digitalization

We help customers improve situational awareness by ensuring real-time knowledge of where all assets are. Customers use technology to understand the ore body and rock conditions, thereby optimizing their operations. Digitalization also provides valuable insights by gathering and managing data generated across the operations in different systems.

Trend: Automation

We make OEM agnostic automation work at scale, including automation kits for mixed fleets, wireless communication, and control systems.

Trend: Electrification

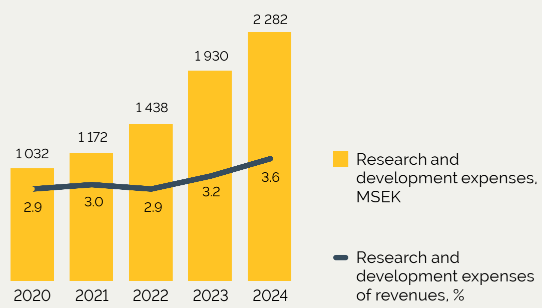
We accelerate customers' electrification journey by offering best-in-class electric vehicles, diesel-to-battery conversion kits, power network infrastructure, charging infrastructure and much more.

Of our annual revenues, 3.6% (3.2) is invested in R&D. In absolute numbers, we invested MSEK 2 282 in 2024, up from MSEK 1 930 in 2023. A vast majority of these investments relate to equipment, which represents 34% of our revenues.

Supplier innovation

We use suppliers for components that are not critical and roughly 75% of the product cost is purchased material and/or components from suppliers. Our suppliers also invest in R&D, which means that a part of our spending includes innovation from our suppliers. We have more than 2 400 significant suppliers globally and we have the joint ambition to do things better to create value for our customers.

Research and development expenses



Collaborations for success

Our focus on innovation also extends beyond what we do ourselves to our collaborations with customers, suppliers, universities, and other companies. We are involved in several joint-industry development projects, including the **Next Generation Carbon Neutral Pilots for Smart Intelligent Mining Systems (NEXGEN SIMS)** and **Sustainable Underground Mining (SUM)** projects to scale up technologies and demonstrate their potential in real mining environments.

Another meaningful membership is in the **CharIN,** which is the leading global association with over 300 members dedicated to promote and develop OEM-agnostic standards (OEM = Original Equipment Manufacturer) in the field of charging systems for charging electric vehicles of all types.

We also collaborate with customers and other business partners, such as universities, to develop new solutions. One example is with **ABB and Boliden,** with whom Epiroc successfully passed a new technology milestone by deploying the first fully battery-electric trolley truck system on an 800 meter long underground mine test track.

Another example is the collaboration with **Boliden, Algoryx** and **Örebro University,** with whom we pioneer a project with the goal of achieving fully autonomous mining. The project includes a digital twin of a mine, a simulated testing environment, for AI and machine learning, which greatly reduces the need for physical testing.

With **Combitech**, and the recently acquired **ASI Mining,** we are developing solutions for autonomous operations. One example is the project with iron ore mining company **Roy Hill**, for which Epiroc is implementing the world's largest single autonomous mine, using a mixed fleet. A mixed fleet includes a variety of equipment and vehicles from several manufacturers.

With **Orica**, we are developing solutions for semi-automatic explosive charging systems. One example is the partnership with **Agnico Eagle Mines Limited** with whom we have successfully commenced live blasting with Avatel™, the world's first semi-automated wireless underground development charging solution at Agnico Eagle's Kittilä mine in Finland.

ASI Mining


Orica

Acquisitions to gain speed

Acquisitions are a way for us to accelerate growth and build leadership positions in niches where it would take too long to do so organically.

The key criteria of an acquisition

Firstly, the target must be attractive on a stand-alone basis and well-run, with products and solutions that are valuable to customers. Its business needs to be supported by long-term favorable trends, be in attractive niches, and have talented, high-integrity people and a strong corporate culture. Secondly, we need to see a strategic fit and synergies with Epiroc. Thirdly, we want the acquisition to give us a leading market position. If that is not the case, there should be a clear strategy to reach it.

Acquiring capabilities in automation, digitalization and electrification

In the last few years, many of the acquisitions have strengthened our capabilities within the three strong technology trends that are shaping our industry: automation, digitalization and electrification. The acquired companies are generally extending our offering and advancing our capabilities within R&D. Sometimes, the acquisitions aim to lower our customers' threshold to adapt to the transformative technology shifts.

Complementary acquisitions

Sometimes our acquisitions are complementary. It can be in niches or geographies where we actively seek to gain exposure.

Acquisitions in 2024

In 2024, Epiroc completed five acquisitions and these acquisitions had annual revenues of approximately MSEK 5 440 at the time of the acquisition.

Stanley Infrastructure designs, manufactures, and sells attachments, typically used on excavators, and handheld hydraulic and battery-powered tools for applications in infrastructure, construction, scrap recycling, deconstruction, and railroad infrastructure. Its strong and innovative brands include LaBounty, Paladin, Pengo and Dubuis. The acquisition strengthens Epiroc's presence, especially in USA and makes Epiroc a strong provider of specialty attachments. The company had revenues in 2023 of MUSD 447 (MSEK 4 725), an adjusted EBITA margin of 16% and 1 380 employees. Revenues from the acquisition are reported in "Tools & Attachments".

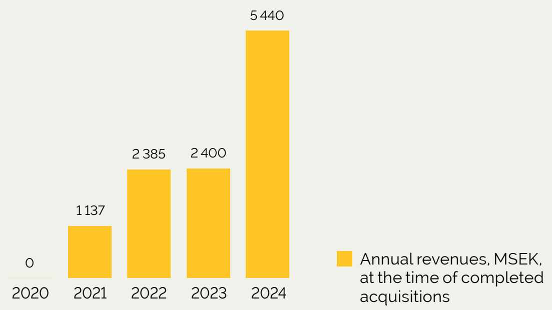
Weco Proprietary Limited manufactures precision-engineered rock drilling parts and provides related repairs and services in South Africa. The company had approximately MSEK 90 in annual revenues and 80 employees at the time of the acquisition. Revenues from the acquisition are reported in "Service".

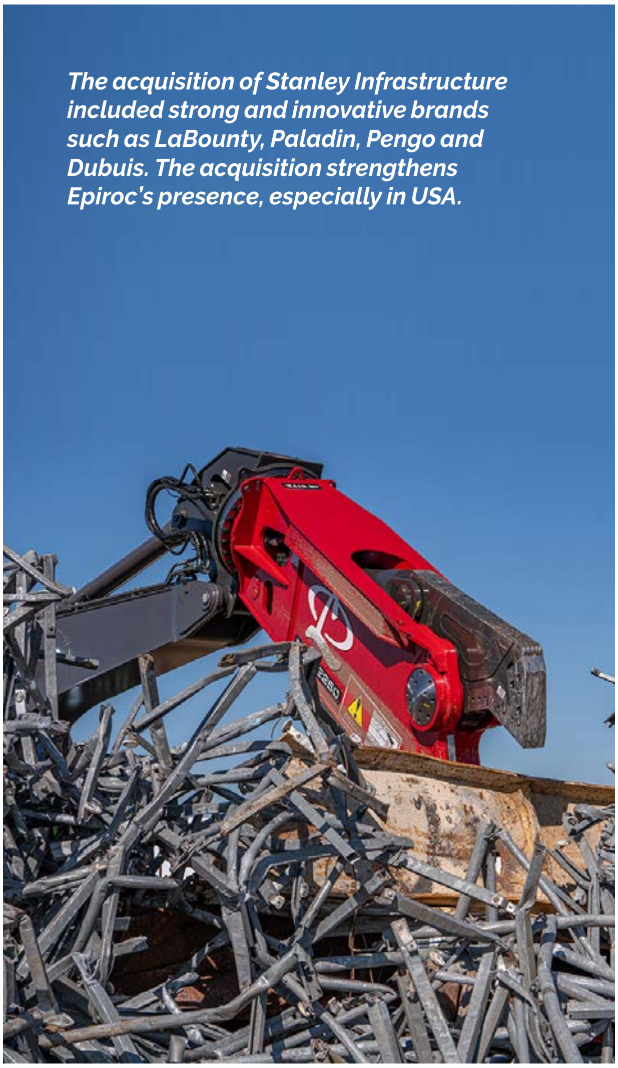
Yieldpoint designs, manufactures and sells advanced digital geotechnical instruments, and has customers worldwide. The products, which include ground movement sensors and telemetry solutions, are primarily used for underground mining, tunnelling, and civil construction applications. The company had 10 employees at the time of the acquisition. Revenues from the acquisition are reported in "Tools & Attachments".

ASI Mining (new product name: LinkOA) provides mining automation systems, such as remote control, teleoperation, and fully autonomous solutions. Its solutions are OEM agnostic, meaning they work regardless of machine brand and fit well for mixed fleets. Epiroc already owned 34% of ASI Mining (shares acquired in 2018) and the acquisition was of the remaining 66%. The company had approximately MSEK 300 in annual revenues at the time of the acquisition. Revenues from the acquisition are reported in "Equipment".

ACB+ manufactures attachments and quick couplers used on excavators for construction as well as related areas such as scrap recycling and deconstruction. Quick couplers are used with carriers, typically excavators, to enable safe and efficient change of attachments, such as buckets and hydraulic tools. The company is market leading in France and has customers throughout Europe. The company had approximately MSEK 325 in annual revenues and 140 employees at the time of the acquisition. Revenues from the acquisition are reported in "Tools & Attachments".

Acquisitions, annual revenues





Acquisitions contribute to the innovation strategy
Acquisitions made in 2024 are marked in yellow

Automation		Making (OEM agnostic) automation work at scale – including automation kits for mixed fleets, wireless communication, and control systems to manage it all. Acquisition: ASI Mining (E&S)
Digitalization	**Situational awareness**	Ensuring real-time knowledge of where all assets are.
	Ore body knowledge	Using new technology to understand the ore body and rock conditions better, helping customers optimize their operations.
	Mine process optimization	Managing data across the value chain and optimizing decision making in the mining operations.
Electrification		Accelerating the electrification journey – including conversion kits, power network infrastructure, charging infrastructure, etc.

Consolidation and additions to existing product segments

Expanding existing product segments – consolidation / new customer segments / new value propositions etc.

Acquisitions:
- Stanley Infrastructure* (T&A)
- ACB+ (T&A)
- Weco Proprietary Limited (E&S)
- Yieldpoint (T&A)

* Dubuis, Labounty, Paladin and Pengo are brands that were added to Epiroc through the acquisition of Stanley Infrastructure.

Trend:

Digitalization

We believe digitalization is key to a sustainable future for the mining and construction industries. Within digitalization, we have an industry-leading OEM-agnostic approach for all types of machines, regardless of manufacturer, and our wide offering of solutions has several advantages for our customers.

Mining and construction sites are continuously developing. They go deeper and wider every day, and there are many machines and people involved in the process. By having all information on hand, our customers can make better and more informed decisions and make the processes more efficient. Our digital offering covers everything from digital infrastructure, data integration platforms, systems for design and planning, process optimization as well as solutions for full automation of our customers' fleets, including mixed fleets. It also encompasses all our digital safety solutions.

Our goal is to support our customers in their whole production flow. For customers within mining specifically, we want to help to create the mine of the future, which is fully automated, from pit to port. Customers' demand for solutions within digitalization is growing rapidly as safety is on the top of the agenda for mining and construction customers.

To support customers transformation, our solutions are organized into these key areas:

Connect: The critical enabler for automation, digitalization and electrification

To enable connected assets and automation, high-quality connectivity is needed. We offer critical network and infrastructure solutions for seamless connectivity – fixed and mobile – using technologies such as digital two-way radio systems and LTE 4G/5G. In addition, we offer off grid hybrid power systems and connectivity as an enabler for battery-electric operations.

The revenue stream from connectivity solutions is project based and should be seen as enabling business for Epiroc. The projects can be large, but also lumpy and sometimes with a relatively low margin.

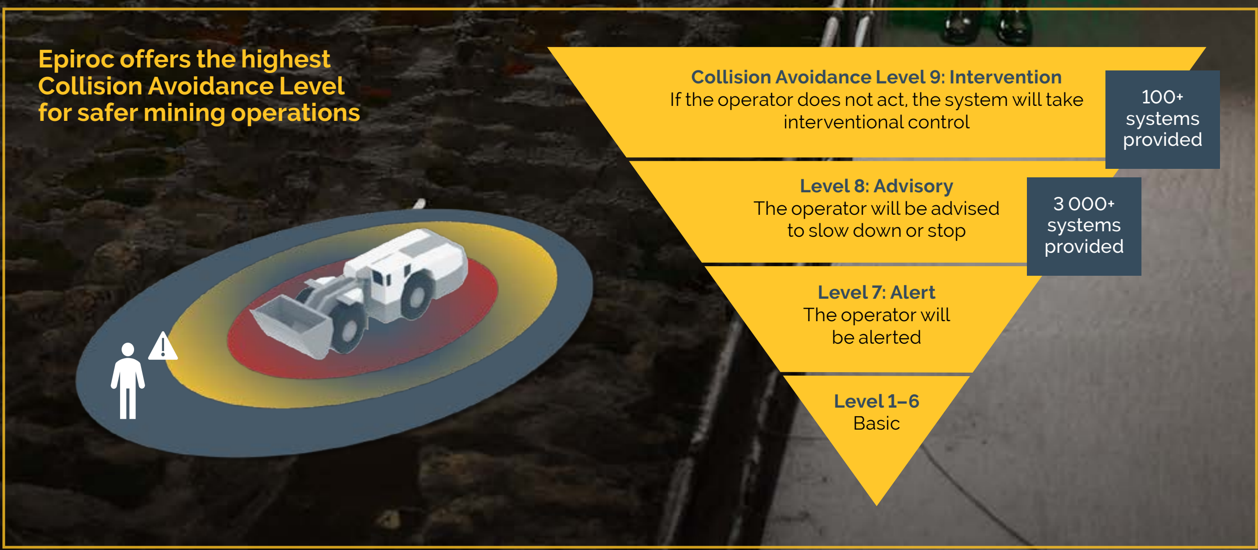
Protect: Highest level of safety solutions to save lives

With a comprehensive range of solutions designed for both surface and underground operations, Epiroc is committed to revolutionizing safety standards in mining environments worldwide. As mines and construction sites by nature are constantly changing environments, it is a challenge to keep track of people and assets, which is needed for safety and productivity. By using digitalization, customers can become more efficient, while also having safer operations. There are thousands of mines and work sites around the world, and the number of machines and people working in these mines are many times higher. According to research published by the European Commission, an estimated 40 million people are involved in large-scale mining, representing 1% of the world's workforce.

Most mines have no system in place today to indicate where people or machines (assets) are located. Epiroc offers solutions that provide drivers and operators with real-time situational awareness of all mobile machines and personnel at a site. With this, customers can increase both safety and productivity. For example, in the case of an evacuation, our systems provide instant directions to the closest exit or rescue chamber, reducing evacuation time by 25-50%.

Epiroc offers the highest level of safety systems in the market, Collision Avoidance System (CAS) Level 9. When this system, the Titan CAS is combined with our smart Onboard system, customers enjoy both collision prevention and long range traffic awareness. The integrated system works on all machines in all mining environments.

With rather small investments, customers can achieve meaningful improvements in safety, which also translates into growing revenues for Epiroc.



Plan, operate and sustain: Seamlessly gather data from different systems to make operations more efficient and accurately measure the outcome

Effective planning plays a crucial role in maximizing productivity and sustainability within the operations. Planning is hard to do in an ever-changing environment without accurate data for decision making. With digitalized integrated mine plans and schedules customers can seamlessly plan and optimize production based on continuous feedback from operations. We offer solutions for real-time planning and scheduling, tunneling intelligence, situational awareness, ventilation demand, drill tracker and shift support. Customers that use our system have seen production output increase by up to 8%.

The revenue stream from plan, operate and sustain is currently small, but these solutions have a great potential to create value for both customers and Epiroc.

How digitalization accelerates the productivity and sustainability transformation

- Increasing safety by reducing evacuation time.
- Providing insights and full control of fleet, equipment and people.
- Improving mine planning, reducing traffic congestion.
- Optimizing mine production plans.
- Increasing reliability in operations with less unplanned maintenance.
- Measuring environmental impact in real-time (e.g., CO_2e and water).

Trend: Automation

Epiroc has a market leading position in automation and autonomous operations for mixed-fleet drilling, loading and hauling. Automation can be seen as a customer journey, and we offer a wide range of solutions that help customers automate their operations.

Market-leading and OEM-agnostic solutions

Epiroc offers market-leading solutions in automation and autonomous operations for drilling, loading and hauling. The Epiroc automation approach is OEM agnostic, or in other words, designed for interoperability. This means that customers can reap the benefits from automation while working with mixed fleets, existing equipment, and existing partners. Epiroc has mixed-fleet automation solutions installed at more than 100 locations worldwide.

All our automation solutions increase productivity and safety. The safety is enhanced by removing operators from dangerous areas.

Different levels of automation

Our most basic solutions are driver assist functions. Remote control functions are also popular. With these, the operator can remotely control the machine from a safe distance, "in line of sight".

The next level is teleremote, where the operator remotely control the machine with the help of multiple cameras and sensors. This automation can be applied to a single machine and/or an entire fleet. As long as connectivity is provided, the operator can, in theory, be anywhere in the world. Epiroc has teleremote solutions installed on more than 1 350 mixed fleet vehicles globally.

Next level is the multi-machine automation, which is intended for high-precision guiding for all fleet equipment, allowing operators to manage and monitor various underground and surface machines from a control center. Many customers are interested in connecting a mixed fleet with machines from different manufacturers, and have these work autonomously together. Our collaborations with Roy Hill and Newmont, are examples of autonomous mixed fleets.

Artificial Intelligence (AI) is the most advanced level. In this step, the machine does the work completely autonomously and makes its "own" decisions based on collected data. Our Rig Control Systems, for example, can facilitate decision making based on data for the most optimal autonomous operation.

Creating the world's largest OEM-agnostic autonomous mine

Epiroc is converting Roy Hill's mixed fleet to driverless operation in Australia. 78 autonomous haul trucks (Caterpillar and Hitachi) and 200+ utility vehicles are planned to run 24/7. As per year end, more than 70% of the trucks have been converted to use in autonomy. The mine is located 1 100 km from the control tower in Perth.

How automation accelerates the productivity and sustainability transformation

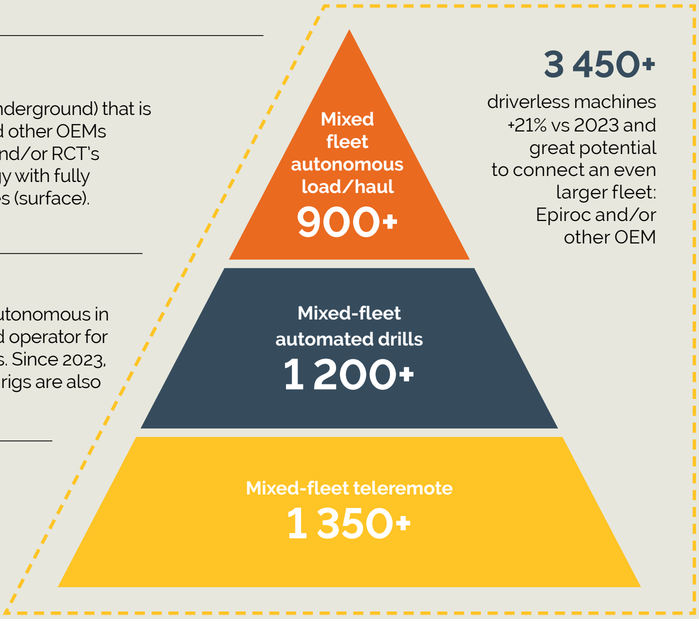
- Protecting people by keeping them away from equipment and dangerous situations.
- Higher production output and precision in operations
- Reducing energy consumption and CO2e emissions.
- Lowering the total cost of ownership.

Epiroc's mixed-fleet automation

Autonomous load/haul
Epiroc equipment (used mainly underground) that is fully autonomous in operation and other OEMs equipment that have ASI Mining and/or RCT's Guidance /Automation technology with fully autonomous tramming capabilities (surface).

Autonomous drill rigs
Mainly Epiroc equipment that is autonomous in operation, but in some cases need operator for tramming between different areas. Since 2023, RCT mixed-fleet solutions for drill rigs are also included in the number.

Teleremote
Remotely controlled equipment (Epiroc + other OEM), surface and underground using cameras and monitors.



Trend: Electrification

There are clear benefits for our customers to invest in electrical equipment. It improves the health of employees, saves ventilation costs and reduces greenhouse gas emissions. In addition, our battery-powered equipment matches or outperforms the productivity of corresponding diesel equipment.

High ambition level

Our goal is to offer a complete range of emissions-free equipment by 2030. Underground, we aim higher. Already in 2025, we will have a full offering of reduced-emissions machines. In 2024, we made several successful product launches when it comes to emissions-free alternatives, and our offering now also includes BEV-trolley, diesel-electric vehicles ("hybrid"), as well as engines with HVO (Hydrotreated Vegetable Oil) compatibility. At year-end, our emissions-free offering represented 42% (42) of our fleet. BEV = Battery-Electric Vehicle.

On the topic of electrification specifically, it is nothing new to us. Most of our underground drilling rigs have been electrified by cable for several decades. Already in 2012, we tested our first battery-electric loader and in 2016, we launched our first fully battery-powered machines.

Productivity-enhancing equipment

We know that our customers share our ambition to reduce emissions, but we are also aware of that every mine is different and needs different solutions to succeed. We aim to provide the best machine, regardless of energy source and therefore offer these types of equipment:

- Cable-electric equipment
- High performing BEVs (NMC batteries) with universal/standard charging and thermal management system to avoid over heating
- Trolley-electric equipment
- Diesel-electric equipment ("hybrid")
- Engines compatible with HVO renewable diesel.

And we are continuously exploring more solutions.

Resilient and safe electrification solutions

Our BEVs are designed and made for being the best possible machine, with higher productivity than the diesel equivalents. We use a versatile, power-agnostic platform that can accommodate a diesel engine, a diesel genset, or a battery, depending on the application. This mean that we can

Safety is a must in an underground environment

Battery system designed to prevent thermal runaway, yet capable of handling it

Incidents:
1*

Accidents:
0

(Generation 2018 - 2024) One battery (of three on site) caught fire in a tunnel in Norway in 2024. The fire was caused by flooding in a tunnel and not by the design or chemistry of the battery.*

Incident = event with significant impact on operations.
Accident = event with human injury.

How electrification accelerates the productivity and sustainability transformation

- More productive machines.
- Protecting people from fumes, noise and heat.
- Eliminating or reducing CO2e emissions.
- Reducing energy consumption and operational expenses related to ventilation.
- Avoiding costly investments in ventilation.
- Adhering to new legislation, rules and standards.

produce our BEVs at the same production sites as our other equipment.

Our BEVs and batteries are designed with modularity and safety in mind, which ensures that each individual part of the battery can be monitored and controlled separately. The stable and robust design means that they are perfectly suitable for all types of operations in harsh environments – both underground and surface. The batteries can be used in both Epiroc's and other manufacturers' equipment.

Since the launch of our latest generation of BEVs in 2018 until the end of 2024, we have not had any accidents with human injury. We have had a fire incident, see previous page, which was caused by flooding in a tunnel and not by the design or chemistry of the battery.

We have selected a lithium nickel manganese cobalt (NMC) battery chemistry, known for its high energy density, which enables improved performance and extended driving range. Our battery system supports onboard charging, and when combined with simple and efficient battery-swapping capabilities, allows customers to maintain continuous operations and minimize production interruptions, thereby enhancing machine availability and utilization. Additionally, the integrated Thermal Management System ensures precise temperature regulation of the battery cells, optimizing performance, safety, lifespan, and charging efficiency.

We have a standardized production approach where battery cells are assembled in modules, which in turn are assembled in subpacks. This enables us to use the same type of subpacks and components for different machine models. For customers, it means quicker roll-out of battery-electric models as well as the ability to perform battery conversions for their existing fleet. With increasing volume, we can achieve scale in production.

We offer the world's first battery for the mining industry with CE certification that complies with the Low Voltage Directive, the EMC Directive and the Radio Equipment Directive.

Batteries as a Service

We have a range of service offerings to tailor our support to customer needs. Customer can for example choose to buy the batteries or buy their machine with Batteries as a Service (BaaS).

The BaaS gives our customers all the benefits of electric power without owning the batteries. To us, it is a productivity commitment to our customers. We take full responsibility for the batteries with a circular business model. We ensure that the battery has the capacity required for the application, we monitor the battery's performance and we replace batteries when necessary. The service covers everything from certification to maintenance and technology upgrades and lowers the threshold for investing in battery-electric vehicles.

When we own and control the batteries, we can optimize the use of each battery. This way, we can safeguard that our customers have the most efficient battery at all times, while we can secure revenue streams over a longer period of time.

Battery conversions
For existing equipment, we offer battery conversions, whereby the diesel engine is replaced by an electric driveline, making it faster and cheaper for the customer to switch to electric operations compared to ordering new equipment.

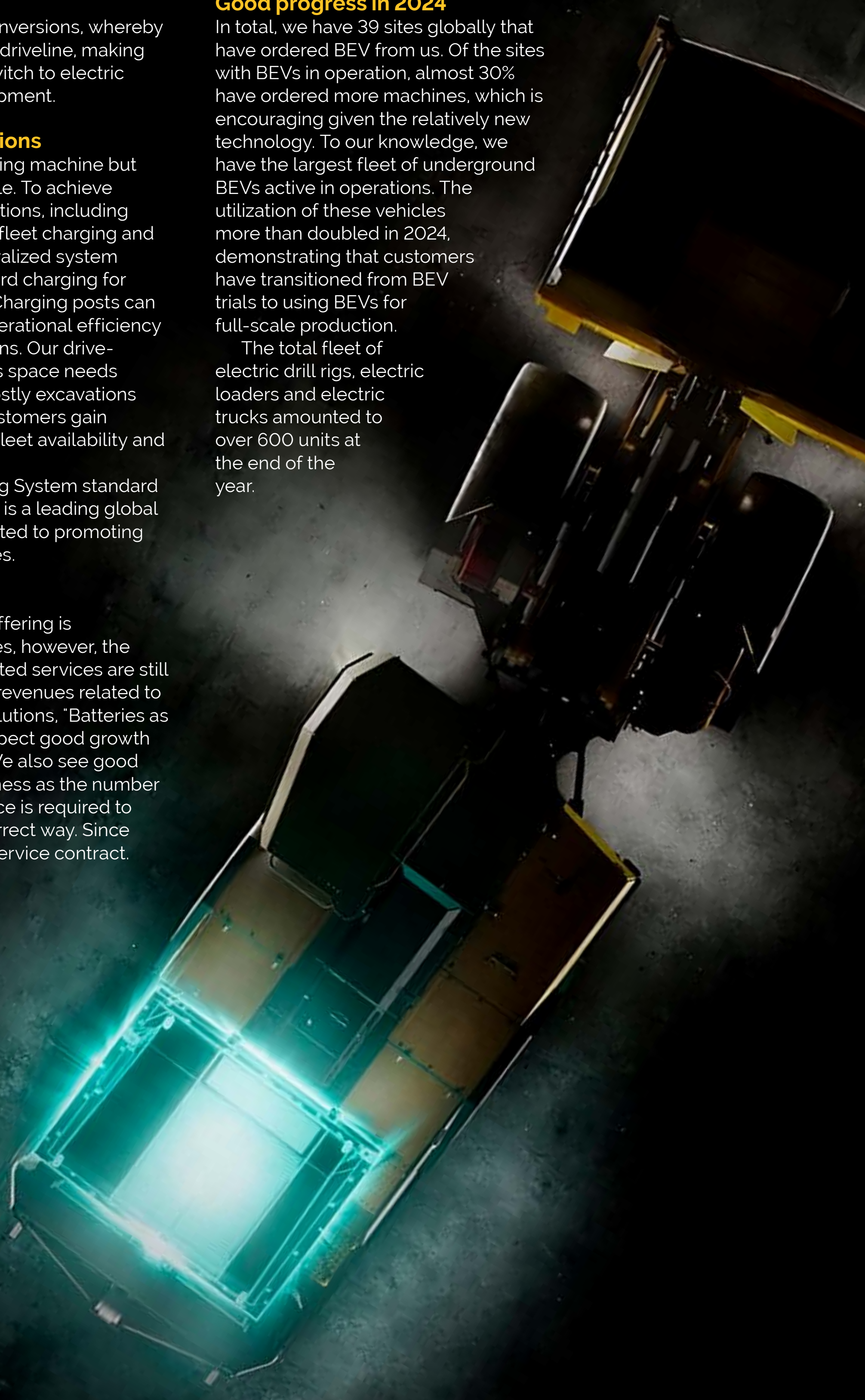
Battery-electric infrastructure solutions
It is not just about delivering a groundbreaking machine but ensuring it operates as efficiently as possible. To achieve this, we provide versatile infrastructure solutions, including OEM-agnostic chargers that enable mixed-fleet charging and reduce total cost of ownership. Our decentralized system supports both battery swapping and onboard charging for greater flexibility with charging strategies. Charging posts can be placed on multiple levels, enhancing operational efficiency by putting them closer to machine operations. Our drive-through battery swapping design minimizes space needs and streamlines operations, avoiding the costly excavations required by other solutions. With Epiroc, customers gain scalable, practical solutions that maximize fleet availability and productivity.

We follow the global Combined Charging System standard for charging and are a member of CharIN. It is a leading global association with over 300 members dedicated to promoting joint standards for charging BEVs of all types.

Size of business
The electrification trend is strong and our offering is continuously broadening. Of Group revenues, however, the share from electrification products and related services are still limited in scale. In 2024, 4.2% (3.1) of Group revenues related to electrification, including battery-electric solutions, "Batteries as a Service" and "Battery conversions". We expect good growth in BEVs and electric equipment onwards. We also see good opportunities to grow our aftermarket business as the number of BEVs increases and as higher competence is required to service electric equipment in a safe and correct way. Since 2018, all BEVs have been delivered with a service contract.

Good progress in 2024
In total, we have 39 sites globally that have ordered BEV from us. Of the sites with BEVs in operation, almost 30% have ordered more machines, which is encouraging given the relatively new technology. To our knowledge, we have the largest fleet of underground BEVs active in operations. The utilization of these vehicles more than doubled in 2024, demonstrating that customers have transitioned from BEV trials to using BEVs for full-scale production.

The total fleet of electric drill rigs, electric loaders and electric trucks amounted to over 600 units at the end of the year.



39

mining sites have ordered BEVs from Epiroc

"We envision a future where a combination of different energy sources, including battery-electric, cable, trolley, and 'hybrid' options, will be used depending on the mining method and application. This diversified approach ensures flexibility and efficiency for our customers in various mining environments."

Robust and safe batteries

High-performing chemistry NMC

Cell
4.2 V

Subpack
800 V / 75 usable kWh

Module 672 cells

Battery-pack
Number of sub-packs depends on equipment.
A Scooptram ST14 SG loader has 4 sub-packs = 300 usable kWh.

High proportion of recurring business

Epiroc has a broad aftermarket offering that includes service, rock drilling tools, ground engaging tools, hydraulic attachments, a dynamic range of technology-agnostic digital solutions, training, battery conversions, and more. We continuously invest in developing our offering to provide best-in-class service and enable successful implementation of new technologies, such as automation.

Recurring business

As our equipment is often performance-critical and used in harsh environments, the use of consumables and spare parts is high.

In 2024, the aftermarket represented 66% (68) of our revenues. In this definition, we include service and digitalization revenues (43% of Group revenues) and the revenues in the Tools & Attachments segment (23% of Group revenues).

Over time, our aftermarket revenues are both resilient and growing. Since 2020, our aftermarket revenues have grown on average 14% per year.

Reliability, productivity, and availability are important success factors to retain customers and grow the business further. Our customers need to know that we are there for them and that we can offer the aftermarket solutions they need when they need them.

Our experienced and technically skilled employees in the aftermarket are key. A large portion, 72%, of our employees work with supporting our customers in our aftermarket business, often at customer sites.

A larger and older fleet

Epiroc has provided rock drilling equipment for more than a hundred years. In fact, the first rock drill was produced in 1905. We have a large fleet of machines around the world and thanks to quality equipment in combination with our wide aftermarket offering, the average fleet age is continuously increasing. For example, we have surface drill rigs that operate at high utilization rates, even though they are more than 20 years old.

At year end, the average age of our equipment fleet in operations was 8.4 (8.2) years and 38% (37) of it was older than 10 years. This bodes well for future aftermarket growth.

High availability

With a growing and older fleet, we safeguard high availability of parts and consumables to customers. We have a global supply chain with regional and local distribution centers* that ensure high availability of spare parts and consumables to support our customers. Through a standardized order flow, delivery times to customers are reduced and we reduce both our transport costs and our inventory while improving our cash flow.

** Örebro and Fagersta in Sweden, Garland in USA, Ghent in Belgium, Johannesburg in South Africa, Singapore, Nanjing in China, Mississauga in Canada, Allen in USA, and Santiago in Chile.*

Broad aftermarket offering

Replacement parts and kits

Service agreements and audits

Circular services, incl. midlife services and remanufacturing solutions for components

Other service solutions, incl. custom-engineered solutions, Live Work Elimination, and training

Digital solutions, open and OEM agnostic capabilities, incl. connectivity, collision prevention systems and automation solutions

Tools

Attachments

Service
43%
of revenues 2024
Reports in Equipment & Service

Tools & Attachments
23%
of revenues 2024

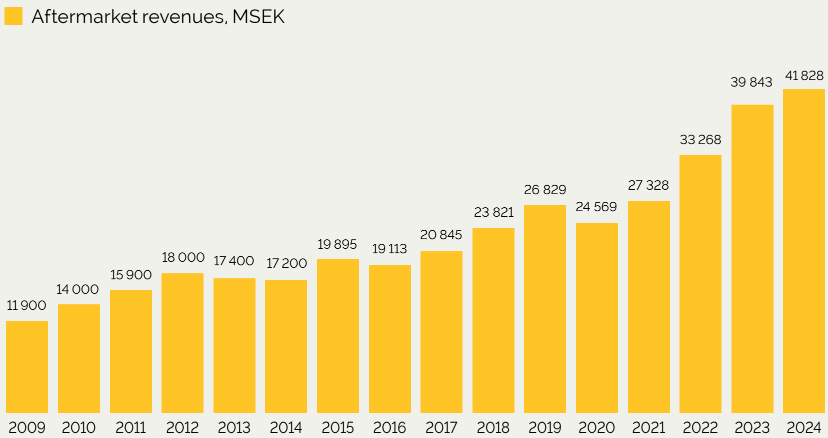
"As our equipment is often performance-critical and used in harsh environments, the use of both consumables and spare parts is high."

Aftermarket

66%

of revenues 2024

Aftermarket revenues



Please note: Figures from 2015 have been restated and figures between 2009-2014 are not fully comparable.

Service

Sustainability is an important aspect of our aftermarket business. Well performed maintenance, the right spare parts and midlife services increase productivity for customers and extend the life of existing equipment.

Our service organization focuses on the delivery of spare parts, high-quality service, support solutions and training. The spare parts are often developed in-house and proprietary. The type of service our customers want varies; some customers have Epiroc service technicians on site 24/7, while others choose to take care of their equipment themselves and only buy parts and/or seek technical advice or training.

We offer many types of service agreements and service products. They include component remanufacturing and mid-life services, both of which extend the life of existing components or machines. We also offer cost per meter contracts, upgrades and conversion kits that add new features, such as connectivity and battery. More than 32% of our equipment is under some kind of service contract and we see good opportunities to grow this number.

Our service organization safeguards optimum performance for our equipment and enables correct and safe implementation of new technologies.

Digital Solutions

Within digitalization, we have an industry-leading, OEM-agnostic approach (works for all types of machines, regardless of manufacturer), and our wide offering of solutions has several advantages for our customers.Please see chapter "Digitalization" for more information on our digital offering.

Tools

We provide an extensive range of high-end consumables for rock drilling, such as drill bits and drill rods for use both underground and on surface. The tools are used both in mining and construction applications. We also offer tools for exploration drilling and rock reinforcement. Our rock drilling tools can be used on both Epiroc's and other manufacturers' equipment.

Our rock drilling tools are durable and efficient. This means that they last longer and drill faster than many comparable drilling tools. This in turn leads to more drilled meters per hour, lower production costs and less energy consumed per drilling meter for the customer. In addition, we offer re-sharpening of the drill bits, so that they can be used even longer.

One important advantage of high-end drill bits is increased safety. Longer use per drill bit means fewer changes, which means that the customer is less exposed to injury.

It is common to have remote production with operators in safe control rooms instead of in the machines. However, most of the time, operators still have to replace drill bits on site. Our flagship drill bit, the Powerbit X, has fewer replacement intervals and leads to fewer interruptions than any other drill bit in the market, which means that customers get more out of their investments in modern technology.

For several of our large automated Pit Viper drill rigs, we offer an automatic drill bit changer, which eliminates the risk of operator injury when changing the drill bit. We also offer consumables with an inventory management system designed for self-service around the clock. It helps customers save time, reduce costs per drilled meter and have full control over consumption per machine and/or operator.

Attachments

Products used mainly within mining

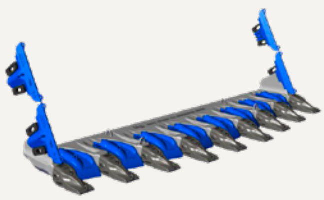
Tophammer rock drilling tools

Rotary drilling tools

Rock-reinforcement systems

Down-the-hole hammers and drill bits

Exploration consumables



Ground Engaging Tools (GET), such as teeth, lip shrouds, and protective shrouds

We offer an automatic drill bit changer, which eliminates the risk of operator injury when changing the rotary drill bit.

We offer a wide range of specialty attachments and quick couplers for rock excavation, as well as for deconstruction of buildings, asphalt, concrete and steel structures, trenching, separation of material, recycling and waste handling.

The attachments are used for excavators and other similar carriers and are sold under a multi-brand approach.

With attachments, customers enjoy increased versatility of carrier machines, which is cost efficient, as one excavator handles several attachments (and applications), and reduce the need for capex and storage, as the increased number of attachments require fewer excavators on site.

Attachments also contribute to a sustainable society. Separation of metals and material from concrete in the deconstruction phase (urban mining) is a fast-growing market, driven by regulations and increased focus on circularity.

Within our attachments offering, we also offer advanced ground engaging tools (GET) such as cast lips, teeth, and protective shrouds installed on mining buckets and loaders as well as related digital solutions. GET are mainly used within the mining industry.

Products used mainly within infrastructure

Hydraulic breakers for deconstruction

Combi cutters for deconstruction

Drum cutters for hard material profiling

Magnets for picking up scrap metal

Quick couplers for excavators

Pulverizers for deconstruction

5

Well-proven business model

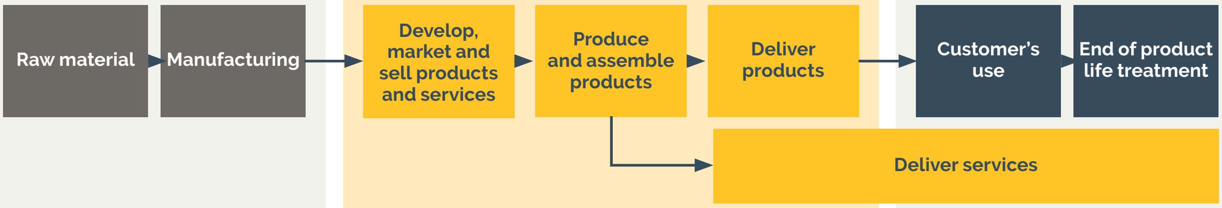
We have a focused and decentralized business that can be adapted quickly in times of changing demand. Our strength is based on a high proportion of direct sales, a strong and resilient aftermarket and a flexible manufacturing philosophy. In addition, we relentlessly strive for operational excellence.

Epiroc value chain

Supplier activities

Own operations

Customer activities



Supplier activities

Global network of business partners and sub-suppliers prevents supplier dependency.

Business partners are selected and evaluated based on quality, delivery, price, reliability, and commitment to environmental and social standards.

Roughly 75% of the product cost is purchased material.

The largest categories of direct raw material or components purchased are steel, machined parts, welding and hydraulic parts.

Collaboration on innovation to support sustainability goals.

Own operations

An organization based on decentralized responsibility facilitates quick decision-making.

An asset-light manufacturing philosophy with low capital requirements enables fast and efficient adaptation to changes in demand.

Manufacturing of equipment is primarily based on customer orders.

10% of our employees are active within R&D.

A vast majority of our innovation efforts lie within digitalization, automation, and electrification. In the center of our innovation strategy, we have circularity.

We acquire companies to build and strengthen our market position further.

Customer activities

Provide customers in the mining and construction industries with innovative solutions that enhance productivity, safety, and environmental performance.

Enable successful implementation of new technologies, such as automation and electrification.

Offer high availability of spare parts, as the Epiroc equipment often is performance-critical.

Wide offering of circular services such as midlife services and remanufacturing.

Be a reliable collaboration partner for our customers.

72% of our employees work with supporting our customers in our aftermarket business, often at customer sites.

Key inputs

- Labor
- Financing
- Material
- Infrastructure
- Technological development
- Land
- Energy
- Water

Key outputs

- Accelerating the transformation within mining and construction.
- 136% total shareholder return (A share) since listing

Business model and operational excellence

Focus and decentralization	High degree of direct sales	Strong aftermarket business	Flexible manufacturing	Leveraging innovation
Quick and efficient decision-making	84% direct sales	Aftermarket represents 66% of revenues	75% of product cost for equipment is purchased	Leadership in automation, digitalization and electrification

Operational excellence

Focus and decentralization

Our organization is based on the principle of decentralized responsibility, which is a facilitator for quick decision-making. Excellence in decentralization requires that employees have the authority to act and are comfortable in taking responsibility. It requires training and good leadership. Of recruited managers, many have had previous positions within Epiroc.

We have had a decentralized way of working since 1976 and in 1989, separate divisions were created, which have global responsibility for their operations. In order to safeguard economies of scale and efficient processes, we have cross-divisional councils in e.g., R&D, sourcing and production.

High degree of direct sales

We generate sales in around 150 countries, primarily through direct sales and service. About 84% (89) of our revenues are direct, which contributes to strong customer relationships.

For some products, mainly within Attachments, we use distributors, which allows us to reach a wider geographical area and penetrate new markets in an efficient way. Our equipment and our solutions are therefore sold by sales engineers with strong application knowledge and our service is performed by highly trained service technicians.

Strong aftermarket business

We have a large installed base of equipment in harsh environments, and the fleet is growing, while also aging. The equipment requires frequent maintenance and the customers' requirement for spare parts and consumables is recurring and relatively stable over the business cycle.

As an example, when capital expenditure is reduced in an economic downturn, maintenance is even more important to maintain or increase productivity as well as extend equipment life. In total, the aftermarket represents 66% (68) of our revenues.

Flexible manufacturing

We have an asset-light manufacturing philosophy with low capital requirements, which enables fast and efficient adaptation to changes in demand. The manufacturing of equipment is primarily based on customer orders. The majority of the production cost of equipment, approximately 75%, represents purchased components, while approximately 25% represents internally manufactured core components and assembly.

Innovation and collaboration

A key factor for success for Epiroc is our ability to develop new and innovative products that serve the customers' needs and help them overcome their challenges. Collaboration is vital for success. Both our purchasing organization and our service organization are involved in the product development process to find suitable solutions and suppliers.

Operational excellence

To us, operational excellence means that we do the right things and that we always strive to do these things even better. We want to be, and remain, the industry benchmark and have many initiatives ongoing. See more on specific initiatives in 2024 in the Administration report.

Using AI is becoming increasingly important for Epiroc. Our AI policy emphasizes responsible and ethical use while ensuring data security. We leverage AI to enhance internal processes and improve our external offerings, gaining strategic advantages. For instance, we use AI in manufacturing to accelerate and enhance quality control, utilizing machine learning and computer vision to analyze data from sensors and production lines. Additionally, we collaborate with leading partners on autonomous mining solutions. For example, the ReNAM project, in partnership with Luleå University of Technology and Algoryx, aims to advance the development of autonomous mining technologies.

6

Our success is based on sustainability and a strong corporate culture

Accelerate the sustainability transformation

Access to metals and minerals is a prerequisite for modern society to function. The decarbonization of our industry is material and we facilitate the transition for our customers.

Our customers are crucial for providing society with what is needed for a transition to a low-carbon economy. It is, however, evident that operations must be sustainable. Our products and services, focused on electrification, safety, circularity, and technological development—are critical to customers´ success and for accelerating the sustainability transformation.

To maintain our innovation leadership, we collaborate with customers, suppliers, and industry leaders to develop more sustainable, safe and low-carbon mining and infrastructure operations. Through innovation, particularly within automation, digitalization, and electrification, we are achieving measurable safety and environmental gains. We have a wide range of solutions and services that help our customers improve their safety performance and lower their environmental and climate impact. Automation solutions, electrification, diesel-to-battery conversions, remanufacturing of products and parts for a second life and services are a few examples of this.

Integrating sustainability

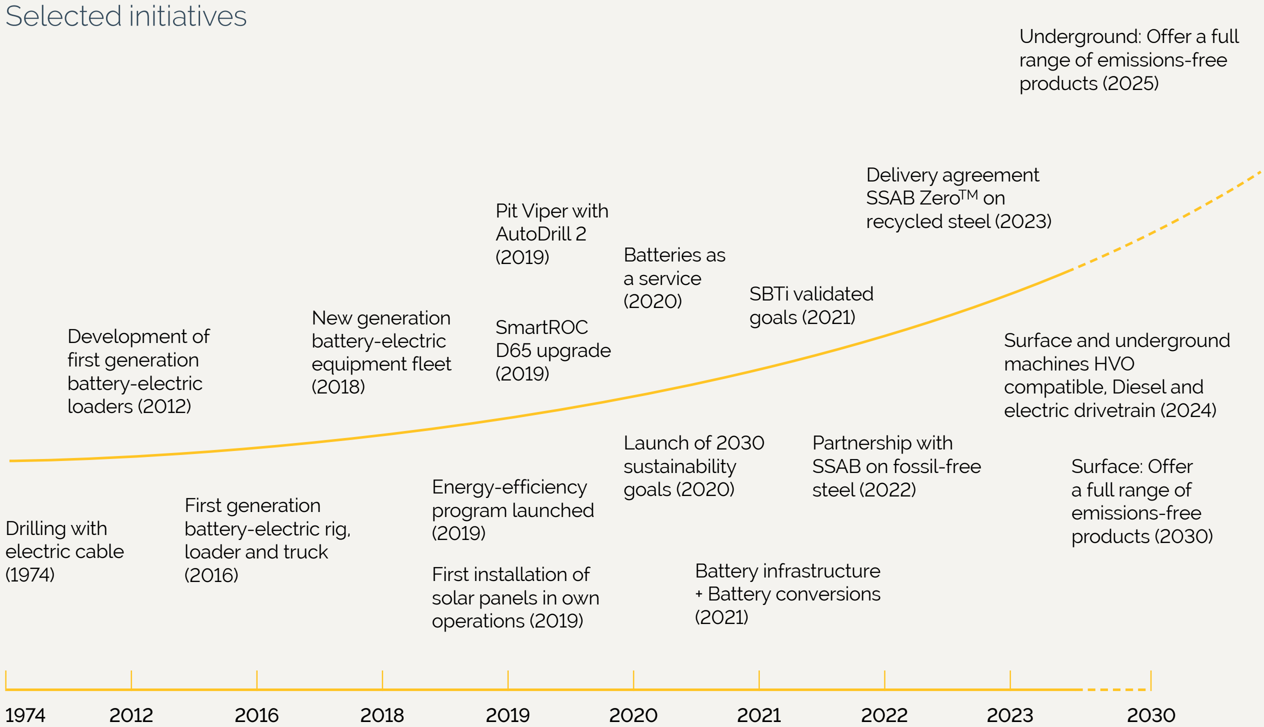
We are committed to integrating sustainability into our strategy and operations. It is our employees that will make this happen. In 2020, we set ambitious sustainability goals for People and Planet for 2030, aligning with the UN Sustainable Development Goals (SDGs) and the Paris Agreement. To reach our goals, several sustainability targets, strategies, plans, internal guidance tools and activities are in place.

Sustainability is integrated in our strategic framework, ensuring that environmental, social, and governance (ESG) considerations are embedded in the decision-making processes. A double materiality assessment has been carried out. This includes employing a risk-based approach to identify and manage the environmental and social impacts of our operations and our value chain, which in turn helps us manage and mitigate risks, and identify opportunities. Our governance structure supports the oversight and management of sustainability, ensuring that sustainability is monitored and addressed at the highest levels of the organization.

We measure our progress through short-term (1-year) targets and long-term (2030) goals. The results are reported quarterly to the Board of Directors and Group Management.

Epiroc's decarbonization journey up to today

Selected initiatives



Since 2021, sustainability targets have been part of the variable compensation plans for all members of Group Management, including our President and CEO. The outcome for each member is conditional on the tangible progress made towards fulfilling our 2030 sustainability targets, including, for example, environment, gender diversity and safety.

Environment

The responsible use of resources is an important aspect of our strategy. This involves optimizing energy consumption, circularity, reducing waste, and enhancing the efficiency of products and operations. We have implemented various measures to minimize environmental impact, such as utilizing renewable energy sources, improving the energy efficiency of, and electrifying our equipment. By leveraging innovative technologies, Epiroc contributes to reduced environmental footprint for our customers.

About two-thirds of our revenues derive from aftermarket services and solutions, which contribute to prolonging the life of our equipment. With midlife services, retrofit and use of secondary raw materials, we also need fewer virgin materials, which in turn leads to more sustainable use of resources.

Midlife services typically include the latest technology, such as automation or electrification features and leading to measurable sustainability gains and use of resources. Our automation-equipped surface drill rigs enable more energy-efficient operations for our customers, with reduced CO_2e emissions. Our attachments tools, often used for deconstruction and recycling, are also important in enabling more efficient use of resources.

Epiroc plays an important role in enabling the transition to a low-carbon society, and we are committed to addressing climate change through actionable targets and strategies. In 2021, we assessed our value-chain carbon footprint for our base year 2019, which concluded that more than 80% of our total CO_2e emissions come from the use of our sold products. Therefore, we have set ambitious goals to reduce greenhouse gas (GHG) emissions, validated by the Science Based Targets initiative (SBTi) in November 2021. These targets reflect our commitment to mitigating climate-related risks and enhancing the resilience of our business model against future climate challenges.

In the end of 2024, we introduced an internal carbon price which will align with the objectives of our transition plan. It will guide our decisions and investments towards lower carbon alternatives going forward.

We will offer a full range of emissions-free* products by 2025 for underground and by 2030 for surface operations. Other solutions will also be needed to reach our climate goals, and some examples are illustrated in Epiroc contribution to our customers' decarbonization journey on page 41.

Our approach and our 2030 climate targets validated by the SBTi enable a long-term ambition of net-zero CO_2e emissions by 2050 and go hand in hand with EU's goal of a climate-neutral economy in 2050.

Epiroc 2030 goals for People and Planet

Safe, healthy, ethical

Safety and health
- No work-related injuries

Balanced workforce
- Double the number of women in operational roles

Walk the talk
- Have all employees and business partners comply with our Code of Conduct
- Responsible Sales Assessment Process implemented

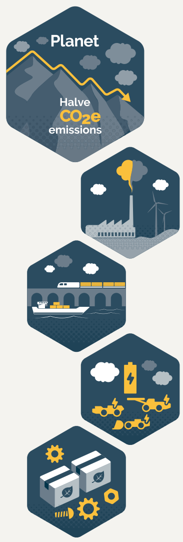
Halve CO_2e emissions

Operations
- *Halve CO_2e emissions in operations**
- 90% renewable energy in own operations

Transport
- Halve CO_2e emissions from transport

Products
- Offer a full range of emissions-free** products
- *Halve CO_2e emissions from machines sold**

Suppliers
- Require 50% reduction of CO_2e emissions from relevant suppliers



** Validated by the Science Based Targets initiative (SBTi). Baseline year is 2019.*

*** Emissions-free products do not emit exhaust gas or other pollution from the onboard source of power, also referred to as zero tailpipe emissions.*

Social

The safety and health of customers and employees are at the forefront of Epiroc's strategic and operational priorities. We have a 2030 goal of no work-related injuries. Comprehensive safety protocols and continuous training programs designed to foster a culture of safety across all operations have been implemented. Moreover, we support occupational health through wellness programs and support systems.

Our equipment is designed with advanced safety features to protect operators, service technicians and reduce accidents. Epiroc's deployment of battery-electric equipment has contributed to better working conditions by lowering emissions in the mining and construction sectors.

Epiroc recognizes that our success is driven by passionate and skilled employees within our decentralized organization. We invest in their professional growth through extensive training, leadership development programs, and an inclusive work culture. We are committed to fostering strong leadership within the organization. We invest in leadership development programs that aim to cultivate a culture of continuous improvement and innovation. These programs are designed to equip leaders with the skills necessary to drive the company's strategic goals and sustainability initiatives.

Epiroc places a high value on diversity and inclusion, recognizing it as important for driving innovation and reflecting the global market we serve. We have set a 2030 goal for a more balanced workforce, implemented policies and practices to promote a diverse and inclusive workplace. This includes initiatives aimed at increasing gender diversity and ensuring equal opportunities for all employees. Epiroc has introduced a global parental leave policy to support work-life balance and family well-being. It ensures that all employees, regardless of their location, have access to parental leave, promoting gender equality and supporting new parents during a critical time in their lives.

Epiroc aims to create a work environment that promotes growth, innovation, and sustainability.

Governance

Epiroc's customers are located in around 150 countries. In every market where we operate, we act in accordance with applicable laws and regulations. We conduct our business with integrity and uphold high ethical standards. The geographical locations of our sites, suppliers and customers play a central role in identifying risks. Some markets are complex and challenging, and environmental, social and governance related laws and regulations can vary considerably. We have 2030 goals in place. Different programs and processes help us better understand where we may have risks of non-compliance in our whole value chain, also when risks are beyond our direct control.

Epiroc is a signatory to the UN Global Compact, and we incorporate its ten principles on human and labor rights, environment and anti-corruption into our policies and way of operating. In our Code of Conduct (CoC), we have committed to conduct business responsibly in accordance with several international standards, for example the UN

Performance summary (Long-term goals)

2030 goal	Base year[1]	Result 2024	Sustainability Development Goals (SDGs)[2]
Offer a full range of emissions-free products. Goal: 100%	2021: 35%	42%	9, 12, 13, 17
Halve CO_2e emissions (ktonnes) from machines (SBTi validated). Goal: 3 152	2019: 6 304	5 709	9, 12, 13, 17
Halve CO_2e emissions (ktonnes) in operations (SBTi validated).[3] Goal: 46	2019: 92	49	7, 12, 13
90% renewable energy in operations.[4] Goal: 90%	2019: 39%	59%	7, 12, 13
Halve CO_2e emissions (ktonnes) from transport.[5] Goal: 80	2019: 160	121	13, 17
Require 50% reduction of CO_2e emissions from relevant suppliers.[6] Goal: 347	2019: 694	770	7, 12, 13
No work-related injuries.[7] Goal: TRIFR=0	2019: 6.0	4.3	8
Double the number of women in operational roles.[7] Goal: 22% in 2030	2019: 11.2%	14.5%	5
Have all managers comply with our Code of Conduct.[8] Goal: 100%	2019: 95%	100%	16
Have all significant business partners comply with our Business Partner Code of Conduct.[9] Goal: 100%	2019: 99%	100%	16
Responsible Sales Assessment Process Implemented.[9] Goal: 100%	2022: 40%	100%	8, 16

[1] Base year (2019) is restated to ensure meaningful comparisons of CO_2e emissions data over time. More information about our recalculation policy and reporting scope, section Metrics and targets in ESRS E1.
[2] For more information about how we work with SDGs, see ESRS E1.
[3] Scope 1 and scope 2 CO_2e emissions.
[4] Share of renewable sources include renewable of mix in total energy consumption. This KPI is limited to on-site energy consumption.
[5] CO_2e emissions from upstream and downstream transportation (scope 3, categories 4 and 9).
[6] CO_2e emissions from purchased goods and services (scope 3, category 1).
[7] For more information, see ESRS S1.
[8] For more information, see ESRS G1.
[9] For more information, see ESRS S2.

Guiding Principles on Business and Human Rights. All Epiroc employees must adhere to our CoC, and our business partners must comply with the Epiroc Business Partner Code of Conduct. We have zero tolerance for corruption. Breaches of the CoC, laws, regulations, or Group policies can be reported in our Speak Up-system.

Epiroc strongly believes in respect for human rights across our business operations. We identify and manage these issues through responsible sales assessments and a responsible sourcing process, and we work closely with customers and suppliers to ensure they meet the same ethical standards.

The company's robust compliance programs include risk identification, policies, trainings, and digital tools, to manage compliance risks in all countries where we conduct business.

Through our holistic approach to sustainability, innovative technologies, and ethical practices, we demonstrate a robust commitment to accelerating the transformation towards a sustainable and resilient future, aligning our operations with global sustainability standards and contributing to more sustainable mining and infrastructure sectors.

Transitioning from GRI Standards to the ESRS framework

We have integrated sustainability in our strategy and also measured performance and externally reported progress for many years. During 2024, we prepared for the EU Corporate Sustainability Reporting Directive (CSRD), applicable in Sweden from the financial year 2025. The CSRD and its European Sustainability Reporting Standards (ESRS) have guided the content and structure of this report. The preparation for the CSRD reporting has also meant another deep dive into the sustainability strategy for the company.

We report in accordance with the legal requirement in the Swedish Annual Accounts Act, chapter 6, paragraph 11, the EU taxonomy regulation as well as voluntary standards such as Global Reporting Initiative (GRI) standards and the UN Global Compact. Sustainability information is presented in the Sustainability statement on pages 74-147.

Other sustainability information, including non-material topics, can be found on the company website as well as information about our main community engagement initiative, Water for All, www.water4all.org.

Epiroc's contribution to our customers' decarbonization journey

This illustration exemplifies how our offerings today have the potential to reduce our customers' CO_2e emissions, by using electrification but also in many other ways. Besides our long-term commitment to offer a full range of emissions-free products, improving the energy performance in product development and verified compatibility with HVO renewable diesel are also important. We have ambitious 2030 sustainability goals to halve our own Scope 1 and 2 emissions, from transportation and as well from significant suppliers. This will contribute to lower the upstream CO_2e emissions for our customers.

Digitalization

Measurement of real-time energy consumption enables reduced energy consumption and optimization in operations.

Automation

Energy efficiency through advanced automation solutions enables reduced energy consumption.

Electrification

An electrified fleet enables zero tailpipe CO_2e emissions and energy savings due to reduced need for ventilation.

Operations

Energy efficiency actions and shift to sea freight transportation enable reduced CO_2e emissions in customers´ upstream emissions and lower embodied emissions in products.

Aftermarket
Service

Circular business models (Batteries as a service, midlife services, reman solutions, recycling of consumables) enable circulation of products and materials, and save energy from production of new products.

Aftermarket
Tools & Attachments

Tools & Att. enable deconstruction and recycling of metals, such as steel and copper. Powerbit X enables energy savings and resource efficiency. Ground Engaging Tools reduce fuel for mining excavators.

Administration report

Epiroc's organization

Epiroc AB is a public company headquartered in Nacka, Sweden. The company's corporate identity number is 556041-2149. Epiroc has sales in around 150 countries and customer centers in more than 60 countries. The Group is organized in eight separate and focused but still integrated divisions and has two reporting segments: Equipment & Service (see pages 50-51) and Tools & Attachments (see page 52). Common Group Functions serve the whole Group, and includes Financial Solutions, Group Management, support functions and eliminations. Revenues from operating leases owned by Epiroc Financial Solutions are reported under Common Group Functions. At the end of 2024, Epiroc had 56 (33) production facilities in 11 (11) countries. Equipment & Service had 24 (18) facilities and Tools & Attachments had 33 (16). One facility serves both Equipment & Service and Tools & Attachments.

Statutory sustainability report

The CSRD and its European Sustainability Reporting Standards (ESRS) have guided the content and structure of this report. The report has been prepared in accordance with the disclosure requirements set out in the Swedish Annual Accounts Act, chapter 6, paragraph 11. The scope and content of the sustainability report is defined on page 74. Epiroc will report fully in accordance with the ESRS in the Annual and Sustainability Report 2025.

Our offering and reporting structure

Reporting segments, % of revenues

Equipment & Service 77% | Tools & Attachments 23%

Revenue streams, % of revenues

Equipment 34% | Service 43% | Tools & Attachments 23%

Business types, % of revenues

Equipment 34% | Aftermarket 66%






Divisions

Underground

Develops, manufactures and markets a wide range of mining and tunnel equipment for underground use, such as drilling rigs, loaders, mining trucks and ventilation systems. The division has production in Sweden, India, China and South Africa.

Surface

Develops, manufactures and markets a wide range of surface rock drilling equipment for use in mining, exploration, construction and quarrying as well as water well applications worldwide. The division has production in Sweden, USA, China, India and Australia.

Parts & Services NASA | Parts & Services EMEA | Parts & Services APAC

Offers a complete range of services such as spare parts, service agreements, remanufacturing solutions, Batteries as a Service, mid-life services, training and more. The divisions' largest distribution centers are located in Sweden, USA, Belgium, South Africa, Singapore, China, Canada and Chile.

Digital Solutions

Offers solutions that drive the digital transformation of the mining and construction industries. It provides a dynamic range of technology-agnostic digital solutions that improve safety, productivity, and sustainability onsite, from the control room to the boardroom. The division has production in Australia , Chile, South Africa and Sweden.

Tools

Develops, manufactures, markets and services tools for rock drilling and ground support. The division's products and digital solutions are used for rock excavation in mining and construction. The division also manages Epiroc's supply chain for spare parts and rock drilling tools. It has production facilities in Sweden, USA, India, South Africa, Canada and China.

Attachments

Develops, manufactures and markets excavator attachments, ground engaging tools and hydraulic handheld tools. The products are used in construction, infrastructure, deconstruction, recycling, and mining. The division also provides related services and has production facilities in Sweden, Australia, Canada, China, Germany, France, South Korea and USA.

Innovation highlights

Epiroc has a high level of ambition in terms of productivity and sustainability. Increased safety and reduced environmental impact are important when new products and service offerings are developed. Epiroc's innovation agenda goes hand in hand with the customers' productivity and sustainability agenda.

Pit Viper 271 E

The Pit Viper 271 E, an electric-driven rotary blasthole drill, offers exceptional performance with zero fuel consumption and a significantly lower carbon footprint. Capable of drilling holes up to 18 m (59 ft) deep and 270 mm (10-5/8 in) in diameter, it features a patented cable feed system for enhanced longevity and reduced costs.

Underground trolley system

Already proven in the Boliden Kristineberg mine in Northern Sweden, the new underground trolley system is redefining electric ramp haulage. By connecting a pantograph to an overhead catenary line, dynamic charging and continuous energy flow is enabled.

Powerbit X and the ET drill string

The Powerbit X with its diamond protected buttons, coupled with the new Epiroc ET drill strings, are true automation enablers and will accelerate the transformation of sustainable mining.

Minetruck MT66 S eDrive

The Minetruck MT66 S eDrive combines the cost-effectiveness of a diesel truck with the productivity of an electric one. Equipped with a ground-breaking electric drivetrain, this truck is stronger, faster and more efficient than any of its predecessors.

Acquisitions in 2024

Acquisitions that support long-term profitable growth are a natural part of Epiroc's strategy. In 2024, Epiroc finalized five acquisitions with total revenues of more than BSEK 5.4.

Stanley Infrastructure designs, manufactures, and sells attachments, typically used on excavators, and handheld hydraulic and battery-powered tools for applications in infrastructure, construction, scrap recycling, deconstruction, and railroad infrastructure. Its strong and innovative brands include LaBounty, Paladin, Pengo and Dubuis. The acquisition strengthens Epiroc's presence, especially in the United States and makes Epiroc a strong provider of specialty attachments. The company had revenues in 2023 of MUSD 447 (MSEK 4 725), an adjusted EBITA margin of 16% and 1 380 employees. The purchase price (Enterprise Value) amounted to MUSD 760 (MSEK 8 200) and is mainly allocated to intangible assets and goodwill. The acquisition was an all-cash transaction. The acquisition was announced on December 15, 2023, and was completed on April 1, 2024. Revenues from the acquisition are reported in "Tools & Attachments".


Stanley Infrastructure

Weco Proprietary Limited manufactures precision-engineered rock drilling parts and provides related repairs and services in the Southern African region. The company had approximately MSEK 90 in annual revenues and 80 employees at the time of the acquisition. The acquisition was announced on December 12, 2023, and was completed on May 3, 2024. Revenues from the acquisition are reported in "Service".


Weco Proprietary Limited

Yieldpoint designs, manufactures and sells advanced digital geotechnical instruments, and has customers worldwide. The products, which include ground movement sensors and telemetry solutions, are primarily used for underground mining, tunnelling, and civil construction applications. The company had 10 employees at the time of the acquisition. The acquisition was announced on May 28 and was completed on June 17. Revenues from the acquisition are reported in "Tools & Attachments".

Yieldpoint

ASI Mining (new product name: LinkOA) provides mining automation systems, such as remote control, teleoperation, and fully autonomous solutions. Its solutions are OEM agnostic, meaning they work regardless of machine brand and fit well for mixed fleets. The company had approximately MSEK 300 in annual revenues at the time of the acquisition. Prior to the acquisition, Epiroc already owned 34% of ASI Mining (shares acquired in 2018). The transaction led to a positive revaluation effect of the ownership held prior to the acquisition in the segment Equipment & Service. The gain was reported as an item affecting comparability of MSEK +554 in the third quarter 2024. The acquisition of the remaining 66% of the company was completed on July 3. Revenues from the acquisition are reported in "Equipment".


ASI Mining

ACB+ manufactures attachments and quick couplers used on excavators for construction as well as related areas such as scrap recycling and deconstruction. Quick couplers are used with carriers, typically excavators, to enable safe and efficient change of attachments, such as buckets and hydraulic tools. The company is market leading in France and has customers throughout Europe. The company had approximately MSEK 325 in annual revenues and 140 employees at the time of the acquisition. The acquisition was announced on May 24 and was completed on September 4. Revenues from the acquisition are reported in "Tools & Attachments".


ACB+

Other events in 2024

Division and management changes

On April 1, Wayne Symes assumed the role as President of the Underground division. Wayne Symes succeeded Sami Niiranen who left for a position outside the Group.

On May 1, Epiroc split the Tools & Attachments division into two new divisions: the Tools division and the Attachments division. Martin Hjerpe, previously SVP M&A, Strategy and Supply Chain, was appointed President of the Tools division and Goran Popovski was appointed President of the Attachments division.

On May 2, Epiroc announced that Arman Bagdasarian, President of Epiroc's Parts & Services Asia Pacific (APAC) division, left Epiroc to pursue a career outside the Group. Jodie Velasquez, VP Controlling & Finance Parts & Services, was appointed Acting President for the division. On June 3, Jodie Velasquez was appointed President Parts & Services APAC division.

Other relevant information

On January 24, in conclusion to the Q4 report, Epiroc informed that a service technician passed away in a commuting accident on the way to a mine site in Zambia. Two other Epiroc colleagues were injured. The accident is not considered as work-related.

On February 21, Epiroc issued a bond amounting to MEUR 500 (SEK 5.6 billion). The tenor is 7 years and the coupon for the bond is 3.625%.

On May 14, Epiroc hosted the Annual General Meeting. All proposals in the Notice were approved, including paying a dividend of SEK 3.80 per share in two equal installments and the re-election of nine Board members.

On August 22, "Water for All", Epiroc's main community engagement initiative, celebrated 40 years of providing people in need with clean water and sanitation. The initiative has provided millions of people with clean water and continues to change lives.

On September 4, Epiroc hosted a ground-breaking ceremony in Hyderabad, India, for an expansion of its manufacturing facility for rock drilling tools. Epiroc was also, the same day, inaugurating an innovation and technology center in Hyderabad. The investment is part of Epiroc's growing focus on India as a key hub for manufacturing and research and development to support customers throughout the region.

On September 24, Epiroc hosted its Capital Markets Day (CMD) for institutional investors, analysts and financial media. The event was held in Las Vegas, USA, in conjunction with the world's largest mining industry exhibit, MINExpo International. The purpose of the event was to give an update on how Epiroc is positioning itself for profitable growth that is resilient and recurring in an ever-changing world.

On October 7, Epiroc and the Nordic Investment Bank signed a 10-year sustainability-linked loan agreement. The MUSD 150 (MSEK 1 555) loan is connected to Epiroc's climate targets, which support the decarbonization of the mining and construction industries.

Large and/or strategic orders

In 2024, Epiroc received large orders amounting to MSEK 3 570 (3 650). A large order is defined as larger than MSEK 100. Not all large orders are published through a press release. Below is a list of large and/or strategic orders in 2024.

Q1 On March 11, Epiroc announced a large order in Mexico from Dumas Contracting Ltd. for underground mining equipment and related services and solutions. Dumas, a subsidiary of STRACON Group, is a full-service underground mining contractor. The order was valued at about MSEK 200. Epiroc will also provide safety-enhancing digital solutions that include asset tracking.

Q2 On June 4, Epiroc announced a large order in India from Hindustan Zinc Limited for mining equipment and aftermarket support. Hindustan Zinc, part of Vedanta Group, is the world's second-largest zinc producer. The equipment order is valued at about MSEK 215. More than half of the machines will be produced in Nashik, supporting the "Make in India" efforts."

Q3 On September 9, Epiroc announced a large surface equipment order in Australia from Pilbara Minerals, the world's largest, independent hard rock lithium producer. The ordered fleet consists of SmartROC D65 drill rigs, which are loaded with intelligent features that improve safety and productivity.

On October 8, Epiroc announced a large order for surface mining equipment in Australia from Newmont Corp., one of the world's leading gold producer. The equipment order is valued at about MSEK 335. The rigs, will be operated tele-remotely.

On October 8, Epiroc announced a large underground mining equipment order in Kazakhstan from Eurasian Resources Group (ERG). ERG is the world's largest producer of ferrochrome by chrome content. The order is valued at about MSEK 350. It includes battery-electric and automation-ready trucks and loaders.

Q4 On January 7, 2025, Epiroc announced a large order in Australia from BHP in Q4 2024. BHP, one of the world's largest mining companies, ordered a fleet of Pit Viper 271 blasthole drill rigs. The highly advanced machines will allow BHP operators to supervise the autonomous, driverless operation from its integrated remote operations center in Perth located more than 1 100 kilometers away. The order is valued at around MUSD 18 (MSEK 200).

On January 16, 2025, Epiroc announced large orders for mining connectivity solutions in Australia, booked in the fourth quarter 2024. Two mining companies have ordered Long-Term Evolution (LTE) connectivity solutions that will strengthen safety and productivity by providing the remotely located mines with reliable, secure and high-speed bandwidth to enable applications such as automation, fleet management, and real-time data. The two orders are valued in total at more than MSEK 250.

Water for All

Access to clean water is a human right. Since 1984, Water for All has been Epiroc´s main community engagement initiative. It has funded projects that empower people through access to clean drinking water, sanitation and hygiene, thereby contributing to healthy societies. The organization focuses especially on women and girls since they are particularly affected. The local Water for All organizations investigate and select a partner to work with and subsequently a water project to support. The projects may for example involve drilling and digging a well, protecting a natural water resource, building a system for rainwater harvesting, or constructing sanitation or sewer systems. Water for All is run on a voluntary basis by employees within the Epiroc Group and the Atlas Copco Group. Employee donations are matched with twice the amount by the companies. For more information, see www.water4all.org.

Epiroc Group

Market development
Mining customer demand remained high, especially for our solutions within automation and digitalization. Demand from infrastructure customers was mixed, with solid demand from customers within tunneling and civil engineering, whereas demand from construction customers remained weak.

Orders received
Orders received increased 6% to MSEK 62 213 (58 899), corresponding to organic growth of 3%. Acquisitions contributed with 5% whereas currency impacted negatively with -2%.

Growth in orders received
- North America (27% of orders received): +16%
- South America (13% of orders received): -1%
- Europe (13% of orders received): +11%.
- Africa/Middle East (16% of orders received): +3%
- Asia/Australia (31% of orders received): +6%

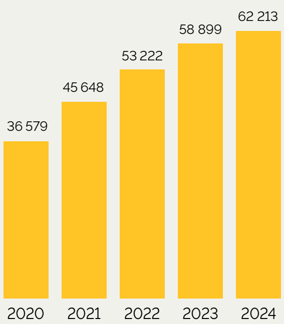
Sales bridge	Orders received	Revenues
	MSEK	MSEK
2023	**58 899**	**60 343**
Organic	3	2
Currency	-2	-2
Structure/other	5	5
Total	6	5
2024	**62 213**	**63 604**

In October, Epiroc announced a large order for surface mining equipment in Australia from Newmont Corp., one of the world's leading gold producers. The rigs, among others the Pit Viper 231 rotary blasthole drill, will be operated tele-remotely, i.e. run with automation.

Revenues
Revenues increased 5% to MSEK 63 604 (60 343), corresponding to organic growth of 2%. Acquisitions impacted revenues positively by 5% while currency impacted negatively by -2%. The book-to-bill ratio was 98% (98).

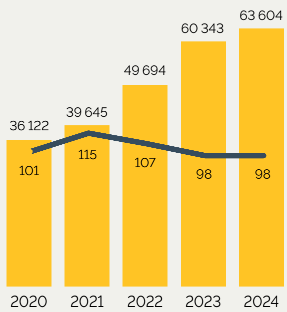
Epiroc's goal is to achieve annual revenue growth of 8% over a business cycle. The average annual revenue growth was 9% in the period 2015-2024.

Orders received



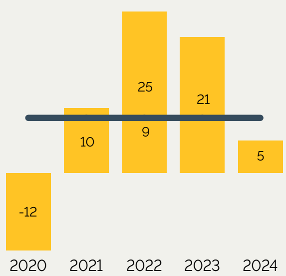
Orders received, MSEK

Revenues and book-to-bill



Revenues, MSEK
Book-to-bill, %

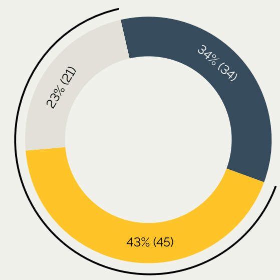
Annual and average revenue growth



Revenue growth, %
Compound annual growth rate, 2015–2024, %

Revenues by business type

Aftermarket 66% (66)



Equipment
Tools & Attachments
Service

Profit

Operating profit, EBIT, decreased -6% to MSEK 12 385 (13 183). Items affecting comparability were MSEK -239 (66), including transaction and integration costs for acquisitions, positive revaluation effect of the shares held prior to the acquisition of ASI Mining, impairments of intangible assets related to acquisitions and earn-outs. The items affecting comparability for the previous year included mainly a capital gain from a sale of a property in Japan, restructuring costs for the planned closure of the Essen plant in Germany and change in provision for the share-based long-term incentive programs.

Profit bridge	Operating profit	
	MSEK,	Margin,.pp
2023	**13 183**	**21.8**
Organic	-988	-1.9
Currency	446	1.1
Structure/other*	-256	-1.5
Total	-798	-2.3
2024	**12 385**	**19.5**

**Includes operating profit/loss from acquisitions and divestments, one-time items and items affecting comparability (incl. change in provision for share-based long-term incentive programs).*

Operating profit, EBIT, for Equipment & Service decreased -4% to MSEK 11 310 (11 792), corresponding to a margin of 23.1% (24.8). The operating profit, EBIT, for Tools & Attachments decreased -23% to MSEK 1 373 (1 780). corresponding to a margin of 9.4% (14.0). Common Group Functions reported an operating loss of MSEK -298 (-389).

The Group's operating margin, EBIT, was 19.5% (21.8). The adjusted margin was 19.8 (21.7), negatively impacted by increased cost, mix, and dilution from acquisitions, while currency impacted positively. The dilution from acquisitions was -1.0 (-0.9) percentage points. Depreciation, amortization and impairment costs were MSEK -3 444 (-2 663). Earnings before depreciation and amortization, EBITDA, were MSEK 15 827 (15 846), corresponding to a margin of 24.9% (26.3).

Financial income was MSEK 470 (349) and financial costs were MSEK -1 416 (-1 297). Net financial items were MSEK -946 (-948), negatively impacted by interest expenses of MSEK -1 324 (-823) and positively impacted by lower exchange differences of MSEK -33 (-466). Interest net was MSEK -857 (-476).

Profit before tax amounted to MSEK 11 439 (12 235), corresponding to a margin of 18.0% (20.3).

Income tax expense amounted to MSEK -2 683 (-2 777), corresponding to an effective tax rate of 23.5% (22.7). Basic earnings per share were SEK 7.23 (7.82).

Return

Return on capital employed was 20.6% (27.0) and the return on equity was 22.2% (26.8).

Actions for operational excellence in 2024

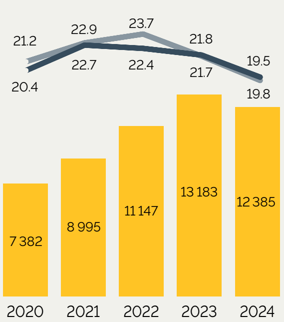
Initiatives in 2024 includes:

- Actions to improve profitability, including review of service contracts and consolidation of production sites.
- Increased sourcing and delivery resilience.
- Expansion of manufacturing in Hyderabad, India.
- Increased production capacity in Örebro, Sweden.
- Split of the Tools & Attachments division into two divisions.

Epiroc's goal is to improve capital efficiency and resilience. Investments and acquisitions should create value.

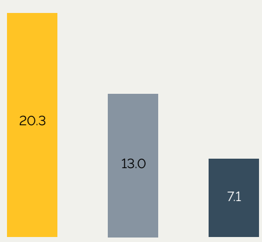
Epiroc's goal is to have an industry-best operating margin, with strong resilience over the business cycle. The Group's operating margin averaged 20.3% in 2015–2024.

Operating profit and margin



Operating profit, MSEK
Operating margin, %
Adjusted operating margin, %

Operating margin (EBIT) average 2015–2024 vs. peers and industrial companies



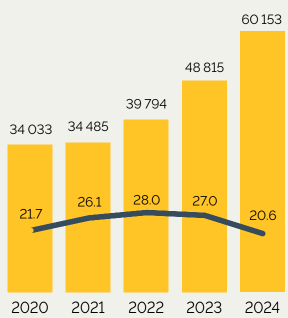
Epiroc, %
Global industrials (Large Cap), %
Mining and construction equipment companies, %

Global industrials (Large cap):
3M, ABB, Alfa Laval, Assa Abloy, Atlas Copco, Danaher, Deere, Dover, Eaton, Emerson, FLSmidth, Fortive, Geberit, General Electric, Graco, Hitachi, Honeywell, Kennametal, Kone, Legrand, Mitsubishi Heavy Industries, Nordson, Parker-Hannifin, Rockwell Automation, Rolls-Royce, Roper Technologies, Schindler, Schneider Electric, Siemens, Siemens Energy, SKF, Smiths Group, Trelleborg, United Technologies, Volvo, Wacker Neuson, Wärtsilä and Xylem.

Mining and construction equipment companies:
Caterpillar, Everdigm, Furukawa, Komatsu, Metso, Robit, Sandvik, Weir and XCMG.

Data reported through March 3, 2025.

Capital employed and return on capital employed



Average capital employed, MSEK
Return on capital employed, %

Balance sheet

Balance sheet in summary

MSEK	2024	% of total assets	2023	% of total assets
Intangible assets	25 075	30	15 843	23
- of which goodwill	16 699		10 223	
Rental equipment	1 543	2	1 582	2
Other property, plant and equipment	7 932	9	6 032	9
Other non-current assets	3 835	5	3 207	5
Inventories	19 191	23	18 747	28
Trade receivables	12 424	15	10 455	15
Other receivables	4 927	6	3 814	6
Financial assets	1 483	2	1 703	3
Cash and cash equivalents	7 179	8	6 401	9
Total assets	**83 589**	**100**	**67 784**	**100**
Total equity	43 180	52	37 210	55
Interest bearing liabilities	22 218	26	14 226	21
Non-interest bearing liabilities	18 191	22	16 348	24
Total equity and liabilities	**83 589**	**100**	**67 784**	**100**

Total assets increased to MSEK 83 589 (67 784), mainly explained by acquisitions and increased inventories. Epiroc ended the year with a cash and cash equivalents position of MSEK 7 179 (6 401) and a net debt position of MSEK 14 778 (7 824). Net debt/EBITDA was 0.93 (0.49). The net debt/equity ratio was 34.2 (21.0).

Group financing consists of capital market borrowings of MSEK 11 676 and loan facilities of MSEK 5 462, with maturities in 2026–2034. As back-up, the Group has a MSEK 4 000 revolving credit facility (unutilized) and a MSEK 2 000 commercial paper program, whereof MSEK 1 111 was utilized at year-end. See note 22.

Group equity including non-controlling interests was MSEK 43 180 (37 210), corresponding to 51.7% (54.9) of total assets. Equity per share was SEK 35.75 (30.84). Total comprehensive income for the year was MSEK 10 345 (7 716).

Net working capital increased 12% to MSEK 24 322 (21 736). For comparable units and currency-adjusted, net working capital increased 2%, due to higher trade receivables and lower trade payables.

Average net working capital was MSEK 23 803 (21 228). As a percentage of revenues last 12 months, the average net working capital was 37.4% (35.2).

Cash flow

The cash conversion rate increased to 104% (66). The operating cash flow increased to MSEK 9 132 (6 211). Net cash flow from operating activities was MSEK 10 460 (7 143).

Net financial items paid were MSEK -447 (-599). Taxes paid were MSEK -3 039 (-3 531). Cash flow from change in working capital was MSEK -574 (-3 708). Net investments in rental equipment were MSEK -283 (-574). Gross investments in property, plant and equipment were MSEK -890 (-1 044) and divestments were MSEK 16 (53), thus net investments in property, plant and equipment were MSEK -874 (-991). Investments in intangible assets, mainly related to capitalization of development expenditures and investments in IT systems, were MSEK -966 (-643).

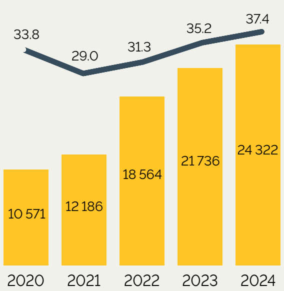
Five (three) acquisitions and no (no) divestments were completed and the net cash flow effect was MSEK -9 658 (-3 666), see notes 3 and 15. Proceeds to/from other financial assets were MSEK -192 (-467), net.

Dividends paid to shareholders were MSEK -4 591 (-4 103) and dividends paid to non-controlling interests were MSEK -2 (-3).

Cash flow from sales and repurchases of own shares was MSEK 290 (279), net, all related to hedging or deliveries of shares for the long-term incentive programs described in note 25. Change in interest-bearing liabilities was MSEK 6 202 (1 291).

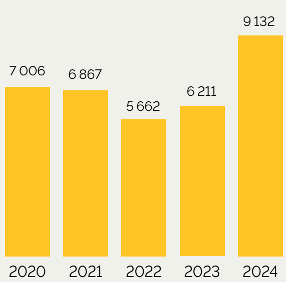
Epiroc's goal is to provide long-term stable and rising dividends. The dividend should correspond to 50% of net profit over the cycle. The Board of Directors proposes a dividend of SEK 3.80 (3.80) corresponding to 53% (49) of net profit.

Net working capital



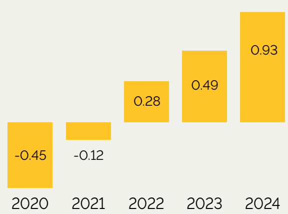
Net working capital, MSEK, period end
Average net working capital/revenues, %, 12 months

Operating cash flow



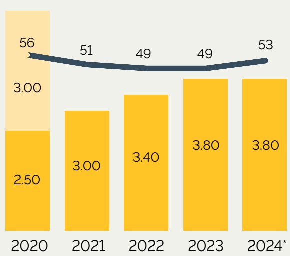
Operating cash flow, MSEK

Capital structure



Net debt / EBITDA ratio

Dividend and payout ratio



Extra distribution (redemption) per share, SEK
Dividend per share, SEK
Payout ratio, %

*Proposal by the Board.

Credit rating

There were no changes in Epirocs credit rating in 2024. In December 2022, S&P Global Ratings affirmed Epiroc's BBB+ credit rating with a stable outlook.

Epiroc's goal is to have an efficient capital structure and the flexibility to make selective acquisitions. The goal is to maintain an investment grade rating. Epiroc has a BBB+ credit rating with a stable outlook.

Employees

The average number of employees increased 5% to 18 778 (17 923), explained by acquisitions. At year end 2024, the number of employees was 18 874 (18 211). External workforce amounted to 1 495 (1 762). For comparable units, the workforce decreased by -1 135 (630) compared with the previous year, mainly within service and manufacturing. Epiroc uses external workforce to handle temporary fluctuations in demand, mainly within manufacturing.

The proportion of women employees and women managers at the end of the period increased to 19.8% (19.0) and 24.4% (23.4), respectively.

Number of employees, average

	2024	% of total	2023	% of total
North America	3 987	21	3 274	18
South America	1 470	8	1 618	9
Europe	4 776	25	4 662	26
– Sweden	*3 560*	*19*	*3 484*	*19*
Africa/Middle East	2 806	15	2 863	16
Asia/Australia	5 739	31	5 506	31
Total	**18 778**	**100**	**17 923**	**100**

Employees by professional category, %

	2024	2023
Service & supply chain	36	39
Production	25	24
Administration	18	17
Marketing, sales & support	11	10
Research & development	10	10
Total	**100**	**100**

More than 7 150 people are active within service around the world. Their work contributes to improved productivity and lowers the total cost of operations for customers.

Equipment & Service

Organization
Equipment & Service consists of six divisions and provides rock drilling equipment, equipment for rock excavation, rock reinforcement, loading and haulage, ventilation systems, drilling equipment for exploration, water and energy, exploration tools and solutions, as well as related spare parts and service for the mining and construction industries. The segment also provides solutions for automation, digitalization and electrification.

Market development
There was a high mining activity in the year, contributing to a strong demand, especially for service and solutions such as automation and digitalization. Within infrastructure, the demand was mixed, with solid demand for equipment used in tunneling and civil engineering projects, whereas the demand for construction equipment used in quarries was weak.

Orders received
Orders received increased 2% to MSEK 47 423 (46 678), corresponding to organic growth of 4%. Currency contributed negatively with -2%.

Growth in orders received
- North America (23% of orders received): +2%
- South America (14% of orders received): +3%
- Europe (12% of orders received): +5%
- Africa/Middle East (17% of orders received): +1%
- Asia/Australia (34% of orders received): +9%

For equipment, orders received decreased -1% to MSEK 20 102 (20 218), corresponding to an organic decrease of -1%. The share of orders from equipment was 42% (41) in the segment.

For service, orders received increased 3% to MSEK 27 321 (26 460), corresponding to 6% organic growth. The growth was supported by a combination of high customer activity, an enhanced service offering and a strong demand for rebuilds. The share of orders from service was 58% (59) in the segment.

Revenues
Revenues increased 3% to MSEK 48 914 (47 530), corresponding to an organic growth of 5%. Currency impacted negatively with -2%. Revenues for equipment increased 6% and service increased 3% organically. The share of revenues from service was 56% (59). The book-to-bill ratio was 97% (98).

When it comes to fuel efficiency, the SmartROC T35 burns less diesel than any other rig in its class. The entire architecture of the SmartROC T35 is designed to be efficient. Vital components are strategically placed to make servicing easier. Additionally, the length of hydraulic hoses is kept to a minimum — this reduces the amount of hydraulic oil needed.

	Equipment & Service		Equipment		Service	
Sales bridge	**Orders received**	**Revenues**	**Orders received**	**Revenues**	**Orders received**	**Revenues**
	MSEK, Δ,%	MSEK, Δ,%	MSEK, Δ,%	MSEK, Δ,%	MSEK, Δ,%	MSEK, Δ,%
2023	46 678	47 530	20 218	20 410	26 460	27 120
Organic	4	5	-1	6	6	3
Currency	-2	-2	-2	-2	-2	-2
Structure/other	0	0	2	2	-1	-1
Total	2	3	-1	6	3	0
2024	47 423	48 914	20 102	21 726	27 321	27 188

Operating profit and margin

Profit bridge	**Operating profit**	
	MSEK,	Margin,,pp
2023	**11 792**	**24.8**
Organic	-724	-2.5
Currency	434	1.3
Structure/other	-192	-0.5
Total	-482	-1.7
2024	**11 310**	**23.1**

Operating profit decreased -4% to MSEK 11 310 (11 792). Items affecting comparability were MSEK 51 (287), including a revaluation effect of the shares held prior to the acquisition of ASI Mining of MSEK +554, an impairment of acquisition-related intangible assets of MSEK -346 and earn-outs. The previous year included mainly a capital gain from the sale of a property in Japan and earn-out payments for acquisitions.

The operating margin was 23.1% (24.8). The adjusted operating margin was 23.0% (24.2). The negative organic impact is mainly explained by the higher proportion of equipment invoiced, as well as negative mix effects within service. Cost measures initiated yielded positive results, but not enough to compensate for the mix effects.

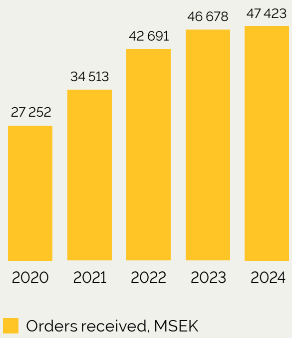
Currency contributed positively to the margin. There was no dilution from acquisitions.

Acquisitions

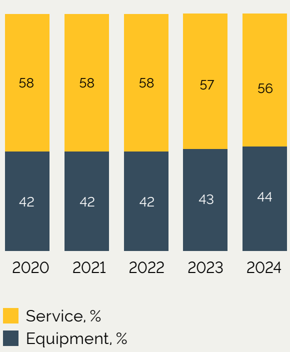
Equipment & Service completed two (two) acquisitions in 2024. In total, the acquisitions added approximately MSEK 390 (700) in annual revenues and 129 (245) employees. See note 3.

In addition to battery-electric vehicles, Epiroc provides electric infrastructure solutions.

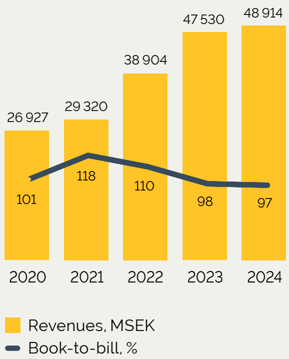
Orders received



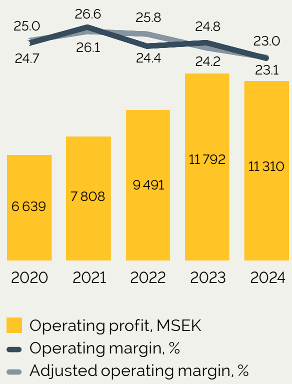
Revenue split by business type



Revenues and book-to-bill



Operating profit and margin



Tools & Attachments

In 2024, the global construction market was weak, but long term, there are several favorable trends that supports a mid-single market growth. Deconstruction and recycling, along with major infrastructure investments in regions like North America, Europe, and Asia, are some of the drivers.

Organization

Tools & Attachments consists of two divisions that provides rock drilling tools, ground engaging tools and specialty attachments that are attached to machines used mainly for drilling, deconstruction and recycling as well as rock excavation. It also provides related service, spare parts and digital solutions, and serves the mining and construction industries. The segment has manufacturing facilities on five continents, of which the largest one is in Sweden.

Market development

During the year, the demand from mining customers was good, supporting the demand for tools. The demand from construction customers on the other side remained weak, which impacted the orders for attachments negatively, especially in important markets such as USA and Europe.

Orders received

Orders received increased 22% to MSEK 14 663 (12 064), supported by acquisitions +24%. The organic decline was -1% and currency was negative -1%.

Growth in orders received

- North America (41% of orders received): +58%
- South America (6% of orders received): -24%
- Europe (18% of orders received): +21%
- Africa/Middle East (16% of orders received): +7%
- Asia/Australia (19% of orders received): -4%

Revenues

Revenues increased 15% to MSEK 14 640 (12 723), corresponding to an organic decline of -6% . Currency contributed negatively with -1% while acquisitions contributed positively with 22%. The book-to-bill ratio was 100% (95).

Sales bridge	Orders received	Revenues
	MSEK, Δ,%	MSEK, Δ,%
2023	**12 064**	**12 723**
Organic	-1	-6
Currency	-1	-1
Structure/other	24	22
Total	22	15
2024	**14 663**	**14 640**

Operating profit and margin

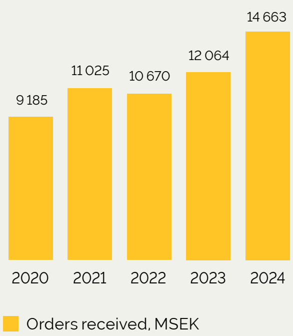
Operating profit decreased -23% to MSEK 1 373 (1 780). This included items affecting comparability of MSEK -290 (-158), including transaction and integration costs for acquisitions of MSEK -255 and restructuring costs of MSEK -35. The items affecting comparability in the previous year included restructuring costs related to the planned closure of the manufacturing site in Essen, Germany. The operating margin was 9.4% (14.0) and the adjusted operating margin was 11.4% (15.2). The lower revenue volumes and acquisitions impacted the margin negatively. The dilution from acquisitions was -2.8 percentage points.

Profit bridge	Operating profit	
	MSEK,	Margin,,pp
2023	**1 780**	**14.0**
Organic	-305	-1.4
Currency	24	0.4
Structure/other	-126	-3.6
Total	-407	-4.6
2024	**1 373**	**9.4**

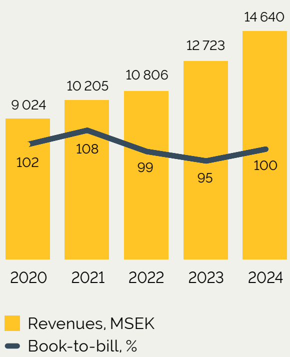
Acquisitions

Tools & Attachments completed three (one) acquisitions in 2024, with 1 530 (400) employees and approximately MSEK 5 050 (1 700) in annual revenues. See note 3.

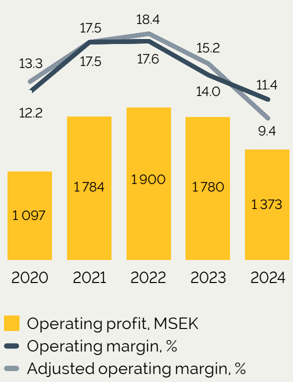
Orders received



Revenues and book-to-bill



Operating profit and margin



Parent Company

Epiroc AB is the ultimate Parent Company of the Epiroc Group and is headquartered in Nacka, Sweden. Its operations include administrative functions for the Group.

Earnings
The operating loss was MSEK -111 (-180). Profit before tax totaled MSEK 5 143 (5 585). Profit for the year amounted to MSEK 4 097 (4 444).

Financing
Total assets were MSEK 68 299 (61 347) at year-end. Interest bearing liabilities, excl. post-employment benefits, totaled MSEK 18 147 (11 013). Equity represented 73% (81) of total assets and non-restricted equity totaled MSEK 49 141 (49 425).

Employees
The average number of employees was 53 (50), of which 58% were women. On December 31, 2024, the number of employees was 51 (55).

Remuneration
Principles for remuneration, fees and other remuneration paid to the Board of Directors (Board), the President and CEO, and other members of Group Management, other statistics and the guidelines regarding remuneration and benefits to Group Management as approved by the Annual General Meeting (AGM) are specified in the "Corporate Governance Report" and in note 5.

Financial risks
Epiroc is subject to currency risks, interest rate risks and other financial risks. Epiroc has adopted a policy to control the financial risks to which Epiroc AB and the Group are exposed. A financial risk management committee meets regularly to make decisions about how to manage these risks. See "Risk Management" and note 29.

Shares and share capital
At year-end, Epiroc AB's share capital totaled MSEK 500 (500). The total number of issued Epiroc shares was 1 213 738 703 shares, of which 823 765 854 shares were class A and 389 972 849 shares were class B. For more information, see "The Epiroc Share" on the following pages and note 21.

Performance-based long-term incentive program
The Board of Epiroc has been authorized to purchase, transfer and sell the company's own shares in relation to Epiroc's performance-based personnel option plans. At year-end 2024, Epiroc held 5 362 105 A shares.

The Board will propose to the Annual General Meeting (AGM) 2025 a similar performance-based long-term incentive program as in the previous years with the exception that the grant of matching options for Group Management will be removed. The participation in the plan will continue to require own investment in Epiroc AB shares for Group Management. The details of the proposal will be communicated in connection with the Notice of the AGM. See "The Epiroc Share" and notes 21 and 25.

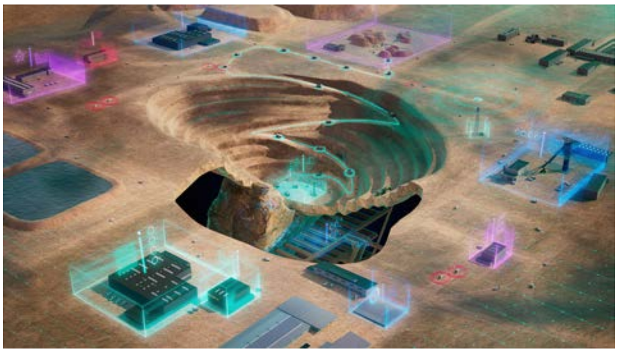
Appropriation of profit
The Board proposes to the AGM a dividend of SEK 3.80 (3.80 per share, which corresponds to a total of MSEK 4 592 (4 591). The dividend is proposed to be paid in two equal installments with record dates May 12 and October 14, 2025. It is also proposed that the balance of retained earnings after the dividend shall be retained in the business.

SEK	
Retained earnings incl. fair value reserve	45 043 670 204
Profit for the year	4 097 048 636
Total	**49 140 718 840**
The Board of Directors proposes that these earnings shall be appropriated as follows:	
To the shareholders,	
- a dividend of SEK 3.80 per share [1]	4 591 831 072
- to be retained in the business	44 548 887 768
Total	**49 140 718 840**

[1] Based on number of shares outstanding at the balance sheet date.

Statement by the Board on proposed appropriation of profit
The Board hereby makes the following statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act. The Board notes that there will be full coverage for the company's restricted equity.

The Board makes the assessment that the company's and the Group's equity after the distribution to shareholders will be able to sustain the requirements, which the nature, size and risks of the business present. The Board further considers the actions reasonable in light of the company's and the Group's consolidation requirements, liquidity and position in general. The distribution is not assumed to present any risk for the company's or the Group's ability to fulfill its short or long-term payment obligations, nor the ability of the company to make required investments. Reflecting this, the Board considers the proposed dividend distribution to be compatible with the rules of reason expressed in the Swedish Companies Act (2005:551) chapter 17 § 3 paragraphs 2-3.



Groundbreaking Intelligence is Epiroc's strategic expansion of its digital and automation solution portfolio. Through multiple acquisitions in recent years, Epiroc has enhanced its ability to offer comprehensive, scalable solutions that align with the industry's shift towards sustainability and efficiency. The portfolio supports data-driven planning, collision avoidance, situational awareness and tracking, production and equipment health monitoring, and equipment automation, as well as comprehensive network and connectivity solutions and support.

The Epiroc share

Listing and shares

Epiroc's shares were listed on Nasdaq Stockholm on June 18, 2018 at an opening price of SEK 88.0 and SEK 84.0, respectively (A and B share).

Epiroc has dual share classes. A shares entitle the owner to one vote while B shares entitle the owner to one tenth of a vote. A shares and B shares carry equal rights to a part of the company's assets and profit.

Return and market capitalization

In 2024, the price of the A share decreased -4.8% (+6.5) to SEK 192.55 and the price of the B share decreased -2.3% (+5.2) to SEK 172.4. The corresponding development for OMXSPI, i.e., all shares, and OMX Stockholm Industrials (SX2000PI) was +6.0% (+25.1) and +8.0% (+15.5) respectively. The total shareholder return of the A share was -2.9% (+8.4).

Epiroc's market capitalization at the end of 2024 was MSEK 225 847 (235 357). The total shareholder return since listing has been 136% for the A share and 126% for the B share.

Trading

Epiroc was the 24th (26th) most traded name on Nasdaq Stockholm during the year. The total turnover in Epiroc shares was SEK 62.9 (59.0) billion, corresponding to average daily turnover of MSEK 251 (235).

Nasdaq Stockholm accounted for 45% of the trading in the A-share. Around 60% of the trading was conducted on the open market, while the remainder was outside the public market, e.g., through over-the-counter trading and dark pools.

Ownership structure*

At year end, Epiroc had 68 396 (69 334) shareholders. The ten largest shareholders, by voting rights, accounted for 48% (37) of the voting rights and 42% (33) of the number of shares. Swedish investors held 46% (46) of the voting rights and 47% (48) of capital.

Personnel stock option program

The Board will propose to the Annual General Meeting (AGM) 2025 a similar performance-based long-term incentive program as in the previous years with the exception that the grant of matching options for Group Management will be removed. The participation in the plan will continue to require own investment in Epiroc AB shares for Group Management. The details of the proposal will be communicated in connection with the Notice of the AGM.

Dividend, redemption and dividend policy

The Board proposes a dividend of SEK 3.80 (3.80) per share to be paid in two equal installments.

Epiroc's goal is to provide long-term stable and rising dividends to its shareholders. The dividend should correspond to 50% of net profit over the cycle. The proposed dividend corresponds to 53% (49) of earnings per share.

Dual share classes

Dual share classes are common in Sweden and represent a majority of the aggregate market capitalization of main market listed companies in Sweden.

The dual share classes are a governance mechanism which facilitates a stable, long-term investor base, while at the same time enabling high liquidity in the shares. According to the Confederation of Swedish Enterprise (Sw. Svenskt Näringsliv) investors holding shares without multiple voting rights have solid protection under Swedish corporate law, including:

- a strong principle of equal and fair treatment of shareholders,
- qualified majority requirements for key material shareholder decisions,
- high degree of transparency,
- shareholder pre-emption rights on share issues, and

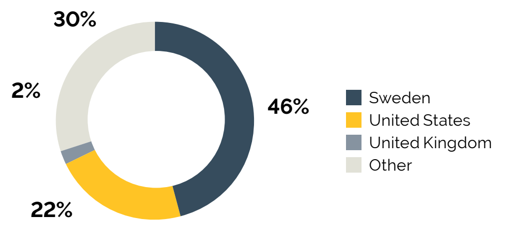
minority powers to take specific action, including to request minimum dividends, minority auditors and special examiners.

Ten largest shareholders*

December 31, 2024	A shares	B shares	Total shares	Capital	Votes
Investor AB	194 793 737	12 841 885	207 635 622	17.1%	22.7%
BlackRock	40 355 954	17 858 838	58 214 792	4.8%	4.9%
Alecta Tjänstepension	21 684 143	35 771 932	57 456 075	4.7%	2.9%
Vanguard	27 140 660	16 656 260	43 796 920	3.6%	3.3%
AMF Pension & Fonder	-	38 434 916	38 434 916	3.2%	0.4%
Swedbank Robur Fonder	23 635 340	13 842 537	37 477 877	3.1%	2.9%
Fidelity Investments (FMR)	24 153 972	2 468 589	26 622 561	2.2%	2.8%
Handelsbanken Fonder	21 704 672	3 869 514	25 574 186	2.1%	2.6%
Fidelity International (FIL)	5 737 028	15 880 580	21 617 608	1.8%	0.8%
Nordea Funds	18 660 132	2 878 841	21 538 973	1.8%	2.2%
Others	*445 900 216*	*229 468 957*	*675 369 173*	*55.6%*	*54.3%*
Total	**823 765 854**	**389 972 849**	**1 213 738 703**	**100.0%**	**100.0%**
Epiroc AB	*5 362 105*		*-*	*0.4%*	*0.6%*

* Data for 2024 was obtained from Monitor Holdings. Data for 2023 represents shareholders registered directly or as a group with Euroclear Sweden.

Shareholders by country, December 31, 2024, % of votes



Important dates 2025

April 29	Q1 2025
May 8	Annual General Meeting in Nacka at 4 PM
May 12	Record date for SEK 1.90 dividend*
May 15	Dividend payment of SEK 1.90 per share*
July 18	Q2 2025
October 14	Record date for SEK 1.90 dividend*
October 17	Dividend payment of SEK 1.90 per share*
October 29	Q3 2025

* Proposed by the Board.

Key figures per share

SEK	2024	2023
Market capitalization, year end, MSEK	225 847	235 357
Basic/diluted earnings per share	7.23/7.23	7.82/7.81
Dividend per share	3.80*	3.80
Dividend/net profit, %	53	49
Operating cash flow per share	7.56	5.15
Equity per share, year end	35.7	30.8
A/B Share price, year end	192.6/172.4	202.2/176.4
A/B Highest share closing price	232.1/209.2	220.1/187.9
A/B Lowest share closing price	182.5/161.9	183.0/153.8
A/B Average closing price	202.9/182.1	202.3/173.0
A/B Price/Earnings ratio, year end	26.6/23.8	25.9/22.6

* Proposed by the Board.

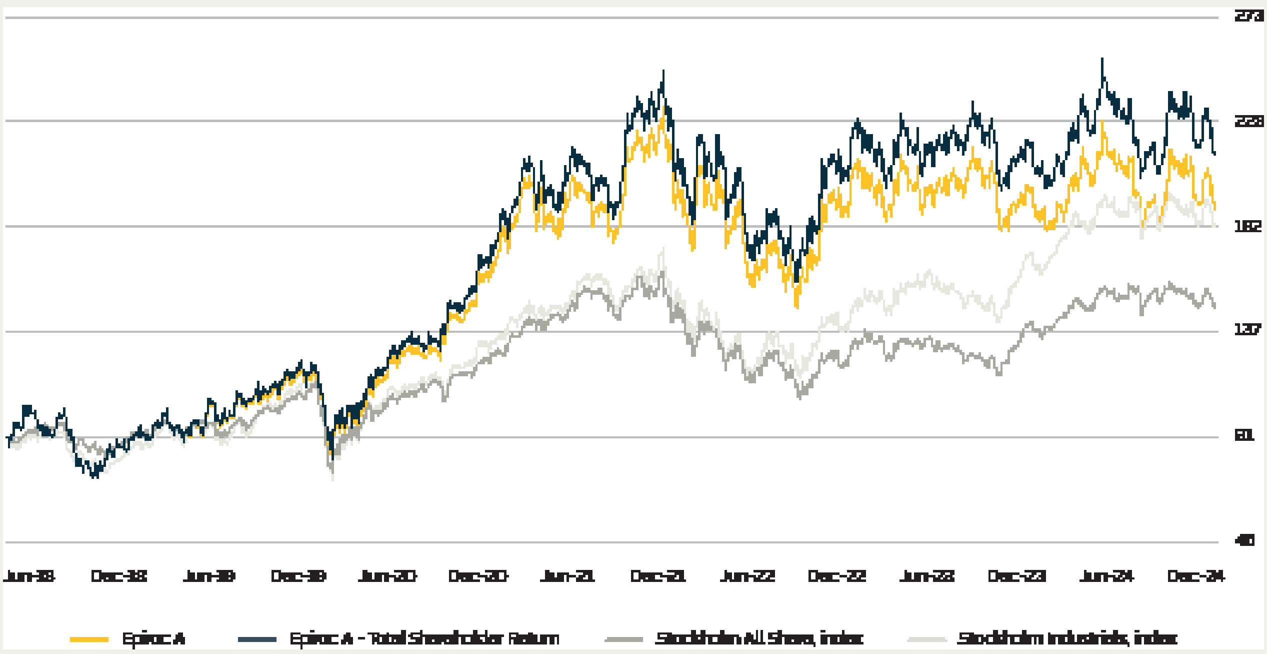
Share information

December 31, 2024	A share	B share
Nasdaq Stockholm	EPI A	EPI B
ISIN	SE0015658109	SE0015658117
Total number of shares	823 765 854	389 972 849
– % of votes	95.5	4.5
– % of capital	67.9	32.1
Of which shares held by Epiroc	5 362 105	
– % of votes	0.6	
– % of capital	0.4	

Investment case

- We create value for our stakeholders
- We focus on attractive niches with structural growth
- We accelerate the productivity and sustainability transformation in our industry
- We have a high proportion of recurring business
- We have a well-proven business model
- Our success is based on sustainability and a strong corporate culture

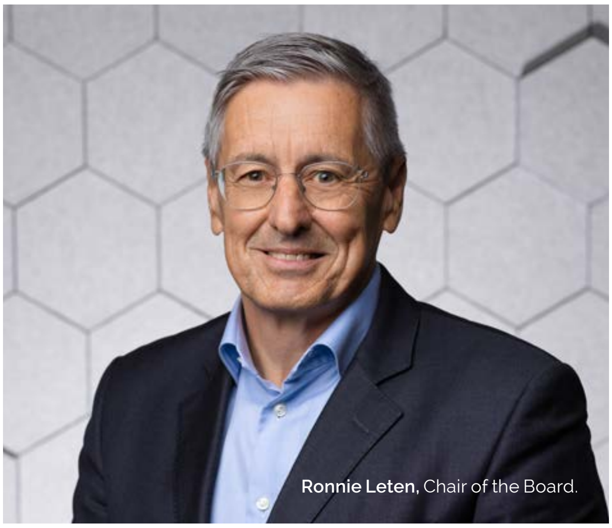
Share price development, indexed at SEK 90.85 (first closing price)



Corporate governance report

Corporate governance refers to the decision-making system through which the shareholders, directly or indirectly, control the company. Epiroc's corporate governance is designed to support the Group's long-term strategy for profitable growth by good internal control and a healthy corporate culture.

Comment from Ronnie Leten, Chair of the Board



Ronnie Leten, Chair of the Board.

Dear Shareholders, having a well-functioning corporate governance framework is crucial for a global company like Epiroc, which has customers in around 150 countries. It ensures that the company adheres to high standards of transparency, accountability, and ethical behavior, which are essential for building trust with all stakeholders, not the least customers and shareholders.

In Epiroc, the way we work with governance helps us manage risks in a proactive way and ensures compliance with various regulatory requirements across different jurisdictions. In 2024, our governance framework was strengthened, ensuring that we remain resilient in a rapidly changing global landscape.

In a world where debates on the importance of sustainability are increasingly common, I would like to emphasize that sustainability is a competitive advantage for us. By making the mining and infrastructure industries safer, more efficient and less emission heavy, we create real value, not only for the customers and society as a whole, but also for Epiroc.

With decades of history in this company, I am particularly proud of the innovative spirit in Epiroc. Innovation remains truly at the heart of our strategy. This year, we have made significant progress within the three technology trends that shape our industry: automation, digitalization, and electrification, strengthening our leading position further. Our investments in innovation have not only created value for our customers but have also led to progress on our sustainability goals, particularly in reducing CO_2 emissions, and in improving diversity. To create lasting results, we must make sure that we have the most competent employees. This includes attracting employees from the whole population, regardless of gender, geographical or ethical background, or age.

The last few years, we have made several acquisitions, one of which is Stanley Infrastructure, our largest ever to date. To ensure that we uphold a well working corporate governance when we acquire companies, we in the Board of Directors, as well as the Group Management, are actively involved in the acquisition process. We also have clear expectations for internal control in newly acquired companies. Shortly after an acquisition is finalized, the target company is expected to align its financial accounting with Epiroc's and implement effective control systems for governance.

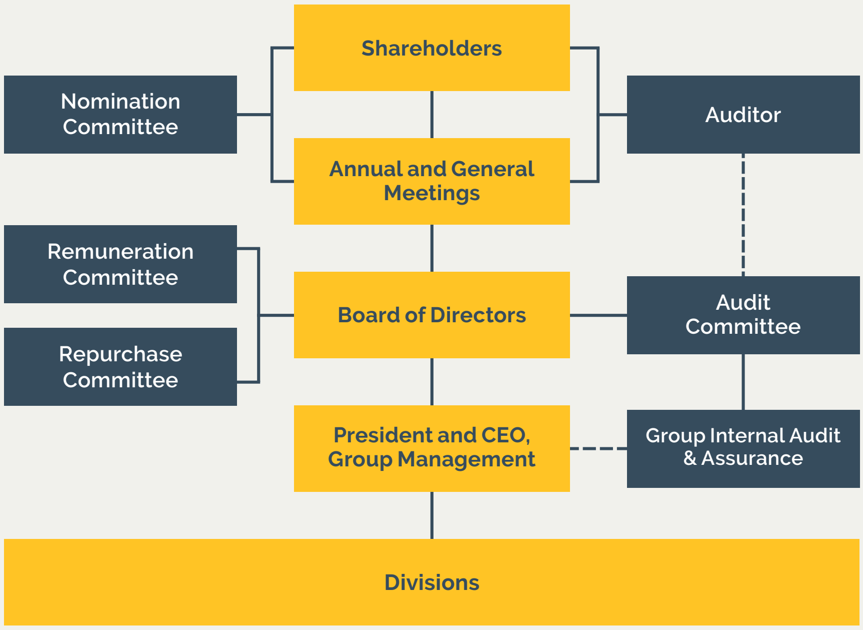
Epiroc's increased exposure towards specialty attachments, especially in the USA, is encouraging for value creation in the long run. These attachments are used by productivity-driven customers that increasingly seek to use versatile, innovative and digitally operated attachments in applications such as scrapping and construction of railroad infrastructure.

As we look ahead, we remain committed to delivering value to our stakeholders through sustainable practices, innovative solutions, and strong commitment to governance. Together, we will navigate the challenges and opportunities that lie ahead, ensuring Epiroc's continued success and growth.

The Annual General Meeting will be held on May 8, 2025 at 4:00 PM CEST in Nacka

Shareholders who wish to contact the Board and/or submit proposals to the Nomination Committee can do so by e-mail: nominations@epiroc.com or by letter to: Charlotta Grähs, Senior Vice President General Counsel, Epiroc AB, Box 4015, SE-131 04 Nacka, Sweden.

Corporate Governance structure



Examples of relevant control documents

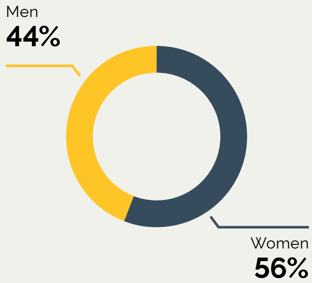
External

- Swedish Companies Act
- Swedish Annual Accounts Act
- Securities Market Act
- Nasdaq Stockholm's regulations for issuers
- Swedish Corporate Governance Code
- UN Global Compact

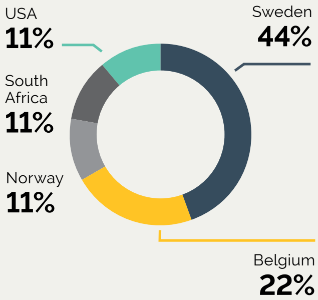
Internal

- Articles of Association
- Rules of procedure for the Board
- Board committees' charters
- Instructions for the President and CEO
- Instruction regarding financial reporting
- Code of Conduct
- Business Partner Code of Conduct
- Group tax policy
- Policies and other guidelines and instructions contained in the Epiroc Way, incl. AI policy

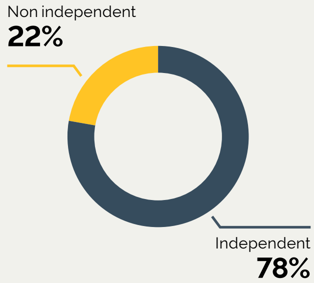
Gender of elected members



Nationality of elected members



Independent elected members



In November, the Board of Directors and the Epiroc Group Management visited the Garland product company in USA. In this picture: Ronnie Leten, Chair of the Board, Dustin Penn, VP Marketing Surface division, Jose Sanchez, President Surface division and Martin Hjerpe, President Tools division.

Governance

Besides relevant laws and regulations, Epiroc, as a company listed on Nasdaq Stockholm, also adheres to the Nordic Main Market Rulebook for Issuers of Shares, as well as the Swedish Corporate Governance Code (the Code). Epiroc has not reported any deviations from the Code, the Nordic Main Market Rulebook for Issuers of Shares, nor from good stock market practice for the financial year.

The most important internal control document is the Articles of Association, which is adopted by the Annual General Meeting. This is followed by the Board's, including its committees', rules of procedure, Epiroc's Code of Conduct (CoC), as well as a number of Group policies that cover the entire operation.

To make it easy for employees, the Epiroc Way, a management system, is available on the intranet, in which all documents and processes for how Epiroc conducts business are available. The Group policies together with the CoC help Epiroc and its employees to comply with applicable laws and maintain high ethical and environmental standards throughout the value chain.

Shareholders

At year-end, the total number of shareholders was 68 558 (69 334). The company's largest owner is Investor AB, which at the end of the year held 17.1% of the shares and 22.7% of the votes. The share of Swedish ownership was 47% (47) of the number of outstanding shares. See more information in the chapter "The Epiroc share".

Annual and General Meetings

The Annual General Meeting (AGM) is Epiroc's highest decision-making body, where shareholders exercise their voting rights and decide on, e.g., the company's Articles of Association, governance and more. In addition to the AGM, Extraordinary General Meetings may be convened.

Notices of general meetings are posted on Epiroc's website and in the Official Swedish Gazette (Post- och Inrikes Tidningar). Information about the general meeting is also published in the two national newspapers, Svenska Dagbladet and Dagens Nyheter.

An open shareholder dialogue is important to Epiroc, and shareholders are given the opportunity to ask questions at or before general meetings. The decisions made are announced via a press release and minutes of the meeting are published on Epiroc's website.

Nomination Committee

The Nomination Committee's task is to propose Board members and auditors as well as remuneration for them to the AGM.

The four largest shareholders, registered directly or as a group with Euroclear Sweden (the Swedish Central Securities Depository) at the end of August, who wish to appoint a member will form a Nomination Committee. In addition, the Chair of the Board shall also be a member of the Nomination Committee. Should the ownership structure change before the time of the AGM, there are procedures in place.

The Nomination Committee's proposal and opinion are published at the latest when the notice is issued. The Nomination Committee shall perform its tasks in accordance with the Code and pay special attention to the requirements for breadth and diversity when in terms of competence, experience and background of proposed Board members.

Nomination Committee

Member	Represents	Votes, % August 31, 2024
Petra Hedengran	Investor AB (Chair)	22.7
Joachim Spetz	Swedbank Robur Fonder	3.1
Mikael Wiberg	Alecta Tjänstepension	3.0
Gustav Österberg	Nordea fonder	2.6
Ronnie Leten	Chair of Epiroc AB's Board	

The Board of Directors

Epiroc's Board has the ultimate responsibility for the organization and its administration. The Board's work follows a written procedure and the Board is assisted by three committees that have an administrative and preparatory role: the Remuneration Committee, the Audit Committee and the Repurchase Committee.

The Board's tasks include establishing and monitoring overall goals and strategies, business plans, financial reports and adopting the necessary internal governing documents. The Board shall ensure that there are appropriate systems for follow-up and control as well as ensuring the quality of the financial reporting. The Board must also identify how sustainability issues affect the company's risks and business opportunities, and report the sustainability development in the Annual and Sustainability Report.

The Board appoints, evaluates, and if necessary, dismisses the President and CEO. Other tasks include deciding on the Group's major investments, acquisitions and divestments. The Board also has the responsibility for ensuring that succession planning takes place to a reasonable extent.

The Chair of the Board leads the Board's work, is responsible for efficiency of this work, and also ensures that the Board fulfills its obligations. The Chair of the Board represents the Board in relation to Epiroc's shareholders.

The Board may delegate tasks to one or more of the Board members, or to others, but shall then ensure that the tasks are performed correctly. In line with this, the Board can also on its own initiative let people outside the company, e.g., consultants, investigate and prepare matters.

The Board held 8 (8) Board meetings in 2024, including the statutory meeting. Epiroc's General Counsel was secretary at all the meetings.

Board composition

According to the Articles of Association (Articles), the Board members appointed by the AGM shall consist of a minimum of six and a maximum of twelve members. They are appointed annually for the period up to and including the next AGM.

As prescribed by the Articles, the AGM has sole authority for the election of Board members and there are no other rules relating to the election or dismissal of Board members or changes in the Articles of Association. Further, there are no agreements with Board members or employees regarding compensation in case of changes of current position reflecting a public takeover bid.

The Nomination Committee has applied the Code's diversity policy when preparing its proposal for the Board. The Nomination Committee did not propose any changes to the Board's composition to the AGM 2024. A number of Board members have extensive experience in the mining industry and/or the mechanical engineering industry, in which there has been a focus on sustainability, such as increased safety (mining), reduced emissions (mining and engineering) as well digitalization and automation. A majority of the Board members also have experience from executive and financial positions, with strong ethical and governmental focus. Thus, the Board has good prerequisites to provide support to the company's senior executives.

Several Board Members are born in countries outside of Sweden and have vast experience from leading international organizations, bringing expertise in how to conduct business with customers, and lead employees, from all continents.

Of the nine elected Board members appointed by the AGM, five are women and four are men. Of the non-executive Board members, four are women and four are men. In addition, the Board has four employee representatives. Apart from the President and CEO and the employee representatives with deputies, none of the Board members are employed by the Group.

Board remuneration

The remuneration for the Board was approved at the AGM 2024 and is presented in detail in note 5. In total, the non-executive Board members had total fees of KSEK 6 583 (6 684) and the expense recognized for the Board was KSEK 9 844 (10 890).

The Board's work in 2024

Evaluation of the Board

The Chair of the Board conducts an annual evaluation of the work of the Board and its committees. The evaluation aims, for example, to prioritize issues to which the Board should give more attention and in which areas additional competence may be required. In 2024, an external supplier supported the evaluation. Interviews were held with all board members and the result was presented to the Nomination Committee.

The Chair of the Board has also reviewed the number of public company board assignments each Board member has apart from serving on Epiroc's Board. The conclusion of that revision is that no Board member is overboarded.

Audit Committee

The Audit Committee is responsible for the follow-up of the Group's financial reporting, financial risk management and internal control, sustainability reporting, as well as accounting and auditing. The committee has the accounting competence required by the Swedish Companies Act.

To ensure robust financial reporting and effective risk management, the Committee maintains regular dialogue with the Group's external auditor, which also actively participates in every Audit Committee meeting. At least once a year, the Audit Committee meets with the auditor without management being present. The Audit Committee is also responsible for overseeing the work conducted by Group Internal Audit & Assurance and the Internal Control functions.

At least four times a year, in connection with the quarterly results, the Audit Committee discusses topics and reviews progress within sustainability. In 2024, the preparation of the implementation of CSRD and the fulfillment of the 2030 goals were common topics, and several additional meetings were conducted. In addition, the Audit Committee evaluates and assists the Nomination Committee with proposals for the election of an external audit firm. The Audit Committee shall consist of at least three members and the majority of these shall be independent in relation to the Group and its management.

The Audit Committee consists of Ulla Litzén (Chair), Ronnie Leten, Lennart Evrell and Astrid Skarheim Onsum. All members are independent in relation to the Group and its management, as well as to the largest shareholder.

Remuneration Committee

The Remuneration Committee proposes principles for remuneration and terms of employment for members of Group Management and key personnel. The Committee shall consist of three members who are not employed by the Group. The Chair of the Board is also the Chair of the Committee. Other members shall be independent in relation to the Group and its management.

The Remuneration Committee consists of Ronnie Leten (Chair), Lennart Evrell and Johan Forssell. All members are independent in relation to the Group and its management. Ronnie Leten and Lennart Evrell are independent in relation to the largest shareholder.

Remuneration of the President and CEO, Group Management and key personnel

A prerequisite for a successful implementation of Epiroc's strategy and the safeguarding of its long-term interests, including sustainability, is that the company can recruit and retain qualified employees. This requires competitive remuneration.

As Epiroc is a global company with senior executives in several countries, the composition of the remuneration may vary. As a general rule, however, the compensation consists of the following:

"The Board considers it in the best interest of shareholders for key personnel in Epiroc to have a long-term interest in positive development of the value of the company's shares"

- Cash base salary, based on position, qualification and individual performance.
- Variable cash compensation, based on degree of fulfillment of predetermined individual financial or non-financial criteria. The financial goals can, for example, relate to value creation, development of operating profit and working capital.
- Non-financial criteria can be, for example, improved key sustainability figures, development and launch of innovative products, organizational changes, and improved work processes. The variable remuneration is set to a maximum of 70% of the basic salary.
- Pension premiums and additional market-based benefits.
- Long-term performance-based incentive program for key employees.

If a senior executive's employment is terminated by the Group, the remuneration depends on age, length of employment and possible remuneration from other economic activity or employment. However, the compensation is set to a maximum of a 24-month basic salary. See note 5 for information on compensation.

Sustainability targets are part of the variable compensation plans for all members of Group Management. Final outcome for each member is conditional on the tangible progress made towards fulfilling Epiroc's 2030 sustainability targets, including, for example, environment, gender diversity and safety.

For the members of the Group Management, the sustainability targets for 2024 amounted to 10% of the maximum outcome of the total variable compensation. In total, the President and CEO achieved fulfillment of 23% of the maximum outcome, whereof 7% for Planet-related goals, and the rest of the management team achieved fulfillment in the range of 20%-55% of the maximum outcome, whereof 7% for Planet-related goals. The evaluation of outcomes is briefly presented below:

Impact on goal progress in 2024 on variable compensation outcomes (condensed external)

	Short-term	Long-term
Financial goals	Red	Green
Planet goals	Yellow	Green
People goals	Green	Yellow

Green = On track.
Yellow = Improvement needed.
Red = Not on track.

Financial goals comment 2024

Epiroc did not have 100% fulfillment of the absolute profit target, measured as EBIT. The capital efficiency target, working capital in relation to revenues, was not achieved. Actions to improve both EBIT and working capital has been implemented. Epiroc has built a strong position in attractive niches that with market growth in combination with improved operational excellence bodes well for profitable growth in accordance with the financial targets long term.

The Boltec rock bolting rigs M10 S and E10 S are designed to give increased productivity and bolt installation quality thanks to intelligent options and compatibility with different bolt types. Thanks to a new operator control panel, reduced noise levels and better visibility, operator ergonomics are also improved. The battery-electric versions are indicated with SG in the model name, which stands for Smart and Green - Boltec M10 SG and Boltec E10 SG.

Planet goals comment for 2024

With the help of innovation, Epiroc has been successful in widen its offering of more energy efficient equipment. At the end of 2024, 42% of the fleet was available in emissions-free option and several product launches during year include batteries, electric cable, and combinations of diesel-electric and/or BEV-trolley solutions. Still, the most challenging goal to achieve is the Use of Products (Scope 3), as it relies on customer demand. In 2024, the demand for energy efficient solutions increased further.

People goals comment for 2024

Epiroc made good progress on the people goals in 2024. Safety, which is the main priority, improved further. Several actions and initiatives are continuously rolled out in the Group to make sure progress will continue. The gender diversity also continues to improve, and the annual target was met. In the long run, this is however a challenging target as Epiroc operates in industries and countries where historically, there have been fewer women. Epiroc will continue to work hard to increase the diversity in the Group.

Long-term performance-based incentive program

The Board considers it in the best interest of shareholders for key personnel in Epiroc to have a long-term interest in positive development in the value of the company's shares. The Board therefore believes that a share-related option program increases the opportunity to recruit and retain key employees in the Group. Epiroc's 2024 AGM approved a performance-based employee stock option program for 2024. The program covers a maximum of 140 key employees. Participation is discretionary from year to year, decided by the Board. The key employees are culture carriers, and have to invest in own shares and remain loyal to the company over several years to receive full possible compensation, which bodes well for long-term goal achievements and essentially value creation for shareholders. There will be no grant awarded for the reporting year 2024. See note 25.

Repurchase Committee

In order to prepare and execute the repurchase of the company's own shares in accordance with the authorization of the AGM, the Board has appointed a repurchase committee. It consists of Ulla Litzén (Chair) and Ronnie Leten.

President and CEO

The President and CEO is appointed by the Board and responsible for the day-to-day management of Epiroc's operations. The work shall be done in accordance with the instructions established by the Board. Helena Hedblom has been President and CEO of Epiroc since March 1, 2020.

Group Management

Group Management is appointed by the President and CEO and shall assist her/him in the day-to-day management. Based on goals set by the Board (financial, people and planet), Group Management sets up objectives for operational activities, allocates resources and monitors the result. Group Management meets monthly to review the financial result, update forecasts and discuss strategic issues.

External auditor

The task of the external auditor is to audit Epiroc AB's and the Group's Annual and Sustainability Report and accounts, the consolidated financial statements and the significant subsidiaries, as well as the management by the Board and the President and CEO. The principal auditor participates at all meetings of the Audit Committee. The auditor presents the annual audit results to the Board at a meeting at which no management representative is present. After the end of each fiscal year, the auditor submits the annual audit results to the AGM. At the 2024 AGM, Ernst & Young AB, Sweden, was elected as external auditor until the 2025 AGM. Erik Sandström, authorized public accountant at Ernst & Young, has been lead auditor since 2022.

Curious to know more?
More information and relevant documents are available at:
www.epirocgroup.com/en/investors/corporate-governance

Board of Directors

Ronnie Leten
Chair of Board since 2017
Full-time Board member and/or Chair.

Johan Forssell
Member since 2017
Full-time Board member and/or Chair.

Ulla Litzén
Member since 2017
Full-time Board member and/or Chair.

Lennart Evrell
Member since 2017
Full-time Board member and/or Chair.

Helena Hedblom
Member since 2020
President and CEO, Epiroc AB.

Ronnie Leten
Belgian. Born 1956.
Education:
M.Sc. in Applied Economics from the University of Hasselt, Belgium.
Other assignments:
-
Principal work/board experience:
Chair of the Board of Ericsson AB and Piab AB. Member of the Board of AB SKF and Electrolux AB. President and CEO of Atlas Copco AB.
Independent:
Yes.
Holdings in Epiroc AB, incl. related parties:
11 308 A shares, 55 650 B shares and 42 643 options[1].

Johan Forssell
Swedish. Born 1971.
Education:
M.Sc. in Economics and Business Administration from the Stockholm School of Economics, Sweden.
Other assignments:
Member of the Boards of Atlas Copco AB, Wärtsilä Oyj Abp, ABB and the Royal Swedish Academy of Engineering Sciences (IVA).
Principal work/board experience:
President and CEO of Investor AB, Sweden.
Independent:
No, not to larger shareholder as he was CEO and a member of the Board of Investor AB during the last five years. Yes, independent of Epiroc and its management.
Holdings in Epiroc AB, incl. related parties:
5 000 B shares and 10 693 synthetic shares.

Ulla Litzén
Swedish. Born 1956.
Education:
B.Sc. in Economics and Business Administration from the Stockholm School of Economics, Sweden. MBA from the Massachusetts Institute of Technology (MIT), USA.
Other assignments:
Member of the Board, and Chair of the Audit Committee, of AB Electrolux and Ratos AB.
Principal work/board experience:
Member of the Board, and Chair of the Audit Committee of Atlas Copco AB, Boliden AB, NCC AB and AB SKF. Management Director and Member of Group Management, responsible for Core Holdings and Analysis, at Investor AB. CEO of W Capital Management AB, wholly owned by the Wallenberg Foundations.
Independent:
Yes.
Holdings in Epiroc AB, incl. related parties:
75 800 A shares, 3 000 B shares and 1 303 synthetic shares.

Lennart Evrell
Swedish. Born 1954.
Education:
M.Sc. in Engineering from the Royal Institute of Technology (KTH), Sweden. B.Sc. in Business Administration from Uppsala University, Sweden.
Other assignments:
Chair of the Board of SSAB AB. Member of the Board of Svenska Cellulosa Aktiebolaget SCA.
Principal work/board experience:
President and CEO of Boliden AB.
Independent:
Yes.
Holdings in Epiroc AB, incl. related parties:
4 000 B shares and 10 693 synthetic shares.

Helena Hedblom
Swedish. Born 1973.
Education:
M.Sc. in Material Technology from the Royal Institute of Technology (KTH), Sweden.
Other assignments:
Member of the Board of Stora Enso Oy, the Royal Swedish Academy of Engineering Sciences (IVA) and Wallenberg Investments AB.
Principal work/board experience:
Senior Executive Vice President Mining and Infrastructure of Epiroc AB.
Independent:
No, not independent of Epiroc and its management as she is the President and CEO. Yes, independent of larger shareholders.
Holdings in Epiroc AB, incl. related parties:
24 040 A shares, 357 232 personnel options, 35 748 matching options.

Information as of February 28, 2025 and holdings in Epiroc AB as of December 31, 2024.
For more information and remuneration, see note 5.
[1] Options issued by Investor AB that entitle for the purchase of A shares in Epiroc.

Jeane Hull
Member since 2018
Full-time Board member and/or Chair.

Astrid Skarheim Onsum
Member since 2018
Full-time Board member and/ or Chair.

Sigurd Mareels
Member since 2020
Senior Partner Emeritus and Special Advisor at McKinsey & Co, Belgium.

Anthea Bath
Member since 2022
President and CEO of Wesdome Gold Mines Ltd, Canada.

Employed by Epiroc

Kristina Kanestad
Appointed 2018
Board member and employee representative.

Gustav El Rachidi
Appointed 2018
Deputy employee representative.

Niclas Bergström
Appointed 2020
Board member and employee representative.

Ulf Ström
Appointed 2024
Deputy employee representative.

Jeane Hull
American. Born 1955.
Education:
B.Sc. in Civil Engineering from South Dakota School of Mines and Technology, USA. MBA from Nova Southeastern University, USA.
Other assignments:
Member of the Boards of Wheaton Precious Metals Corp, Coeur Mining, Inc.,and Hudbay Minerals, Inc.
Principal work/board experience:
Executive Vice President and Chief Technical Officer of Peabody Energy. Chief Operating Officer for Rio Tinto at the Kennecott Utah Copper Mine, USA.
Independent:
Yes.
Holdings in Epiroc AB, incl. related parties:
-

Astrid Skarheim Onsum
Norwegian. Born 1970.
Education:
M.Sc. in Mechanical Engineering from the Norwegian University of Science and Technology (NTNU).
Other assignments:
Member of the Boards of Seatrium Ltd, Spoor AS, Downing Renewables & Infrastructure Trust plc and advisory board of AirLoom Energy.
Principal work/board experience:
Member of the Board of Principle Power Inc. CEO Norsk Gjenvinning ASA, CEO Aker Offshore Wind ASA, Chief Digital Officer Aker Solutions ASA, and Managing Director Aker Engineering & Technology Aker Solutions ASA.
Independent:
Yes.
Holdings in Epiroc AB, incl. related parties:
7 446 synthetic shares.

Sigurd Mareels
Belgian. Born 1961.
Education:
PhD in Metallurgy and a M.Sc. in Engineering, Ghent University, Belgium.
Other assignments:
Chair of the Board of La Fortuna SA.
Principal work/board experience:
Partner at McKinsey & Company.
Independent:
Yes.
Holdings in Epiroc AB, incl. related parties:
10 693 synthetic shares.

Anthea Bath
South African. Born 1976.
Education:
M.Eng. in Environmental Engineering, Department of Chemical Engineering from the University of Pretoria, South Africa.
Other assignments:
President and CEO of Wesdome Gold Mines Ltd, Canada.
Principal work/board experience:
COO of Ero Copper Corporation, Canada, Vice President Commercial Services, Sibanye Stillwater; Head of Market Development, Anglo Platinum, South Africa.
Independent:
Yes.
Holdings in Epiroc AB, incl. related parties:
5 508 synthetic shares.

Employee representatives

Kristina Kanestad
Swedish. Born 1966.
Holdings in Epiroc AB
1 200 B shares.

Gustav El Rachidi
Swedish. Born 1970.
Holdings in Epiroc AB
100 B shares.

Niclas Bergström
Swedish. Born 1969.
Holdings in Epiroc AB
-

Ulf Ström
Swedish. Born 1961.
Holdings in Epiroc AB
-

Attendance	Ronnie Leten	Johan Forssell	Ulla Litzén	Lennart Evrell	Helena Hedblom	Jeane Hull	Astrid Skarheim Onsum	Sigurd Mareels	Anthea Bath
Board meetings	8/8	6/8	8/8	8/8	8/8	8/8	8/8	8/8	8/8
Audit Committee	6/6		6/6	6/6	5/6		6/6		
Remuneration Committee	3/3	3/3		3/3					
Repurchase Committee	1/1		1/1						

Group Management

Helena Hedblom
President and CEO
In current position since 2020. Member of Group Management since 2017.

Håkan Folin
Senior Vice President Controlling, Finance and Sustainability (CFO)
In current position since 2021.

José Manuel Sánchez
President Surface
Division President since 2014 and member of Group Management since 2020.

Wayne Symes
President Underground
In current position since 2024.

Nelson Trejo
President
Parts & Services NASA
In current position since 2023.

Luis Araneda
President
Parts & Services EMEA
In current position since 2023.

Jodie Velasquez
President
Parts & Services APAC
In current position since 2024.

Paul Bergström
President Digital Solutions
In current position since 2023.

Martin Hjerpe
President Tools
In current position since 2024. Member of Group Management since 2019.

Goran Popovski
President
Attachments
Division President since 2017 and member of Group Management since 2020.

*Information as of February 28, 2025 and holdings, incl. related parties, in Epiroc AB as of December 31, 2024. For some members, the matching options and stock options are in the form of Share Appreciation Rights (SARs).

Jonas Albertson

Chief Technology Officer
In current position since 2022 and member of Group Management since 2020.

Charlotta Grähs

Senior Vice President General Counsel
In current position since 2022.

Nadim Penser

Senior Vice President Brand & Communications, Human Resources and SHEQ
In current position since 2020.

Helena Hedblom
Swedish. Born 1973.
Education:
M.Sc. in Material Technology from the Royal Institute of Technology (KTH), Sweden.
Principal work experience:
Senior Executive Vice President Mining and Infrastructure of Epiroc AB.
Holdings*:
24 040 A shares, 357 232 personnel options, 35 748 matching options.

Håkan Folin
Swedish. Born 1976.
Education:
M.Sc. in Engineering and Industrial Management from the Royal Institute of Technology (KTH), Sweden.
Principal work experience:
CFO and various management positions SSAB AB and Tibnor.
Holdings*:
8 616 A shares, 39 117 personnel options, 4 833 matching options.

José Manuel Sánchez
Spanish. Born 1963.
Education:
M.Sc. in Mining from Universidad Politécnica de Madrid, Spain. Master of Marketing and Sales Management from Cerem International Business School, Spain.
Principal work experience:
President of the Drilling Solutions division and various management positions at Atlas Copco.
Holdings*:
10 942 A shares, 159 991 personnel options, 10 942 matching options.

Wayne Symes
Australian. Born 1973.
Education:
Diploma of Business Management from School of Technical and Further Education in Tasmania, Australia. Diploma of International Management from Stockholm School of Economics, Sweden, and Duke University, United States.
Principal work experience:
Vice President Global Customers.
Holdings*:
25 240 personnel options.

Nelson Trejo
Chilean. Born 1975.
Education:
M.Sc in Mining Engineering from Universidad de Santiago, Chile.
Principal work experience:
Vice President Marketing, Parts & Services division, Epiroc.
Holdings*:
4 600 A shares, 28 777 personnel options and 2 217 matching shares.

Luis Araneda
Chilean. Born 1974.
Education:
M.Sc in Mechanical Engineering from Universidad del Bio-Bio and MBA from Universidad Adolfo Ibáñez, Chile.
Principal work experience:
Vice President Operations, Parts & Services division, Epiroc.
Holdings*:
5 250 A shares, 50 709 personnel options.

Jodie Velasquez
American. Born 1981.
Education:
B.Sc. Finance from Arizona State University.
Principal work experience:
Vice President Controlling & Finance Parts & Services.
Holdings*:
25 240 personnel options.

Paul Bergström
Swedish. Born 1974.
Education:
M. Sc. in Electrical Engineering from Royal Institute of Technology, Stockholm, Sweden.
Principal work experience:
Executive Vice President Global Services, Elekta. Various management positions in Ericsson across Americas, Europe and Asia, including President for Ericsson Hong Kong.
Holdings*:
3 405 A shares and 3 180 personnel options.

Martin Hjerpe
Swedish. Born 1976.
Education:
M.Sc. in Engineering Physics from Chalmers University of Technology, Sweden.
Principal work experience:
Senior Vice President Strategy & Supply Chain, Epiroc. Partner at McKinsey & Company.
Holdings*:
11 500 Epiroc A shares, 97 579 personnel options and 9 475 matching options.

Goran Popovski
Swedish and Macedonian. Born 1974.
Education:
M.Sc. in International Business from University of Gothenburg. M.Sc. in International transport and logistics management from University of Gothenburg and Chalmers University of Technology, Sweden. B.Sc. in Marketing and International Business from University St. Kiril and Metódij in Skopje, Republic of Macedonia.
Principal work experience:
President of the Tools & Attachments division, Epiroc. Various management positions at Atlas Copco.
Holdings*:
9 253 A shares, 108 007 personnel options, 12 558 matching options.

Jonas Albertson
Swedish. Born 1967.
Education:
M.Sc. in Mechanical Engineering from Chalmers University, Sweden.
Principal work experience:
President of the Technology & Digital division and the Rocktec division. Managing Director of Epiroc Rock Drills AB, in Sweden. Various management positions at Atlas Copco.
Holdings*:
8 266 A shares, 50 824 personnel options, 5 577 matching options.

Charlotta Grähs
Swedish. Born 1971.
Education:
Master of Law from Gothenburg University, Sweden.
Principal work experience:
General Counsel at Trelleborg AB and Dometic AB. Corporate lawyer at Husqvarna AB, lawyer at Mannheimer Swartling Advokatbyrå and Hengeler Mueller Rechtsanwälte.
Holdings*:
4 750 A shares, 1 145 B shares, 24 655 personnel options, 3 030 matching options.

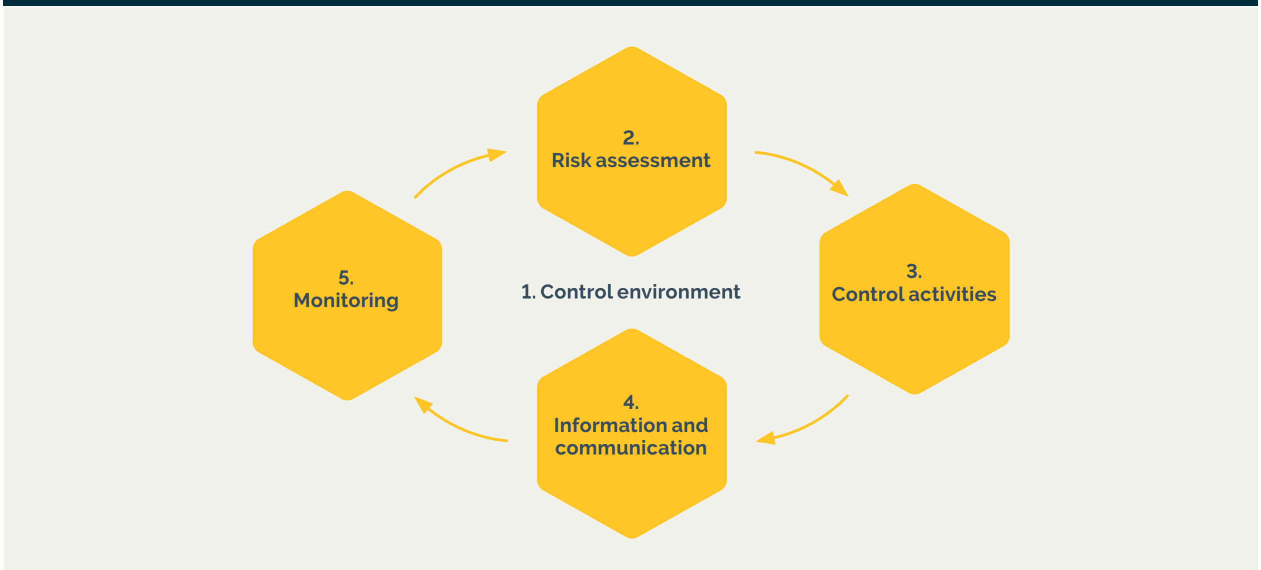
Nadim Penser
Swedish. Born 1967.
Education:
B.Sc. in Physics and Electronic Engineering from University of Lancaster, UK.
Principal work experience:
Vice President Human Resources for the Epiroc Mining and Infrastructure business area. Various management positions in human resources at Atlas Copco.
Holdings*:
6 750 A shares, 56 052 personnel options, 5 077 matching options.

*Information as of February 28, 2025 and holdings, incl. related parties, in Epiroc AB as of December 31, 2024. For some members, the matching options and stock options are in the form of Share Appreciation Rights (SARs).

Internal control over financial reporting

This chapter describes Epiroc's internal control over financial reporting in accordance with the requirements specified in the Swedish Code of Corporate Governance and the Swedish Companies Act.

Internal control over financial reporting



Financial reporting risk management

Epiroc's system for internal control over financial reporting is implemented in accordance with the requirements specified in the Swedish Corporate Governance Code and the Swedish Companies Act, which ensures a high degree of reliability in the preparation of financial reports. The regulations used for internal control have been issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

1. Control environment

The Board of Directors (Board) is responsible for internal control and governs the work through the Audit Committee. Group Management sets the tone for the organization and influences the control awareness of employees. An important success factor is well-defined and well-communicated authority. Epiroc has dedicated Internal Control and Internal Audit functions. The Internal Audit function reports directly to the Board through the Audit Committee.

2. Risk assessment

An assessment of the financial reporting risks is conducted annually. If necessary, further control activities are introduced or existing ones are strengthened. The most significant risks in financial reporting are listed on the next page.

3. Control activities

To mitigate financial reporting risks, there are control activities in place. They are performed at all levels and at different stages of the business processes. Global financial key controls are being tested on a regular basis to ensure they are implemented and effective. The results are reported to the Audit Committee.

4. Information and communication

Epiroc has several information and communication channels that aim to ensure that information is identified, captured and communicated in a way and within a time that enables employees and managers to fulfill their responsibilities. Examples are the Group's policies and guidelines, the Epiroc Way (management system), business reviews and training.

5. Monitoring

The internal control activities are monitored by, for example, independent internal audits, balance sheet reviews, and external audits of financial information and results. Observations and deficiencies of significant importance are reported to Group Management, the Audit Committee and/or the Board.

Key financial reporting risks and related internal controls

Inventory is not appropriately valued at the lower of cost or net realizable value	• Inventories are appropriately reconciled at each reporting date. • Inventory costs and production variances are reviewed and approved by the divisions and net realizable values are compared to carrying values to identify need for adjustments of inventory values. • Inventory level and saleability of inventory are assessed at each reporting date.
Income taxes are not accounted for in accordance with applicable tax legislation	• Tax calculations are prepared and reviewed at each reporting date. • The effective tax rate for each company is analyzed at each reporting date by Group Tax. • Compliance with transfer pricing policies is monitored regularly. • Ongoing tax audits and disputes are monitored and provision levels are evaluated by Group tax specialists.
Provision for bad debt is not calculated based on Group guidelines	• A strong process and tools are in place for collection of trade receivables. • Bad debt provision calculation guidelines are available on the Group's intranet. • Bad debt provision needs are recalculated and booked during each reporting cycle. • Independent Balance Sheet reviews are conducted to ensure entities have followed Group guidelines when calculating provisions.
Provision for inventory obsolescence is not calculated based on Group guidelines	• Automated reports for calculation of the inventory obsolescence provision are in place. • Inventory obsolescence provision calculation guidelines are available on the Group's intranet. • Inventory obsolescence provision needs are recalculated and booked during each reporting cycle. • Independent Balance Sheet reviews are conducted to ensure entities have followed Group guidelines when calculating provisions.
Balance Sheet account reconciliations are not properly documented. Balances are not justified	• A standard template for Balance Sheet account reconciliations has been created and rolled out throughout the organization. • All internal audits include a Balance Sheet review. All issues identified must be addressed within a six-month period. • Group Internal Audit & Assurance includes a formal Balance Sheet review as part of each entity's operational internal audit. On average 40-50 entities are assessed on a yearly basis. • Balance Sheet reconciliations are performed monthly at an operational level.
Reporting processes and procedures are not well documented	• A documented manual of the business system and financial system used exists and is updated accordingly. • Period-end closing checklists exist, are maintained and used for financial reporting tasks. Management reviews the completed checklists on a timely basis.
Implementation of new IFRS standards is not performed properly	• New IFRS standards applicable to Epiroc are known prior to their effective date. • Group Financial Reporting leads the implementation of new IFRS standards and sets a plan for all levels impacted. • Training for local finance teams is carried out. • Group guidelines are updated to reflect the requirements for the new IFRS standards.

Risk management

Epiroc has customers in around 150 countries, which implies both risks and opportunities. Effective risk management not only reduces the risk in the business but also contributes to profitable growth for Epiroc.

Responsibilities

The Board of Directors (Board) is responsible for internal control of Epiroc's operations and related risks. The risk management work follows Epiroc's decentralized structure. Local entities are responsible for their own risk management, which is monitored and followed up regularly at local meetings.

The Group functions for law, risk and insurance, financial management, governance, tax and accounting provide policies, guidelines and instructions for risk management including support with standards and templates to create uniform approach to risk management within Epiroc entities. The Board has adopted the overall financial policies and monitors compliance with the policies.

The Group's Financial Risk Management Committee (FRMC) manages the Group's financial risks within mandates given by the Board. The members of FRMC are the President and CEO, CFO, Group Treasurer, Manager risk management and funding, and Manager Treasury Control. The FRMC meets once a quarter, or more often if circumstances require. The Audit Committee receives reports from the FRMC at each of its Audit Committee meetings.

Group Treasury has the operational responsibility for financial risk management in the Group. Group Treasury manages and controls financial risk exposures, ensures that appropriate financing is provided through loans and committed credit facilities and manages the Group's liquidity. See note 29.

The implementation of policies, guidelines and instructions for financial reporting and financial risk management is regularly reviewed through internal audits.

The crisis management process is managed by the Chief Technology Officer. However, any disruptive or unexpected event should, as far as possible, be handled close to the incident's origin.

Epiroc has a communications policy to ensure that Epiroc complies with applicable laws and fulfills the regulations and recommendations issued by Nasdaq Stockholm as well as the Swedish Corporate Governance Code.

Insurance

Epiroc has global insurance programs to respond to risks transferable to insurance. These programs include property damage and business interruption insurance, cargo insurance, general liability and product liability insurance, cyber insurance, financial lines insurance to protect management liability and business travel insurance, to the extent and for amounts considered to be in line with industry practice. Insurance can never protect against all possible risks, including reputational impacts. Risk Management and insurance procurement therefore include a loss prevention standard for Epiroc global against which entities are measured to identify areas for improvement.

Sustainability reporting and the European Sustainability Reporting Standards (ESRS)

For 2024, Epiroc provides information on the risks and opportunities that climate change will mean for the business, guided by the European Sustainability Reporting Standards (ESRS) . In 2026, Epiroc will report for the 2025 financial year in accordance with the European Sustainability Reporting Standards (ESRS) and the EU Corporate Sustainability Reporting Directive (CSRD). Information about risks and opportunities arising from social, environmental and governance issues will be included in the disclosure.

Compliance

Compliance with applicable legislation and other compliance obligations is fundamental for Epiroc and Epiroc is committed to adhering to all applicable and relevant compliance obligations in the countries in which it operates. Group Compliance identifies compliance risks at Group level, implements adequate policies, provides information about compliance through internal communication, and provides training and digital tools to ensure that Epiroc and its employees around the world have the appropriate knowledge for correct decision-making. Regional Compliance Officers have a responsibility to support and control all entities in relation to applicable legislation, compliance programs and entity-specific compliance risks.

Epiroc also has a Compliance Board, which, through cross-functional collaboration, ensures that Epiroc's Code of Conduct is implemented and adhered to. The following functions are members of the Compliance Board: SVP General Counsel (Chair), SVP Brand & Communications, Human Resources and SHEQ, VP Sustainability, VP Compliance, the Head of Internal Control, and all division Presidents.

Enterprise Risk Management

Epiroc has a methodology for enterprise risk assessment covering all divisions. Risks are identified based on Epiroc Risk Universe, with the overall goal to evaluate risks and remove or mitigate their effects by having the necessary control measures in place. The purpose is to identify, understand and visualize potential risks before they occur, provide a safer and healthier working environment for our employees, and strengthen business continuity. In more detail, clarification is provided on the probability of risks materializing, their impact, causes and possible consequences, the effectiveness of existing controls and any further actions needed.

Risks assessed are captured in four main risk areas:

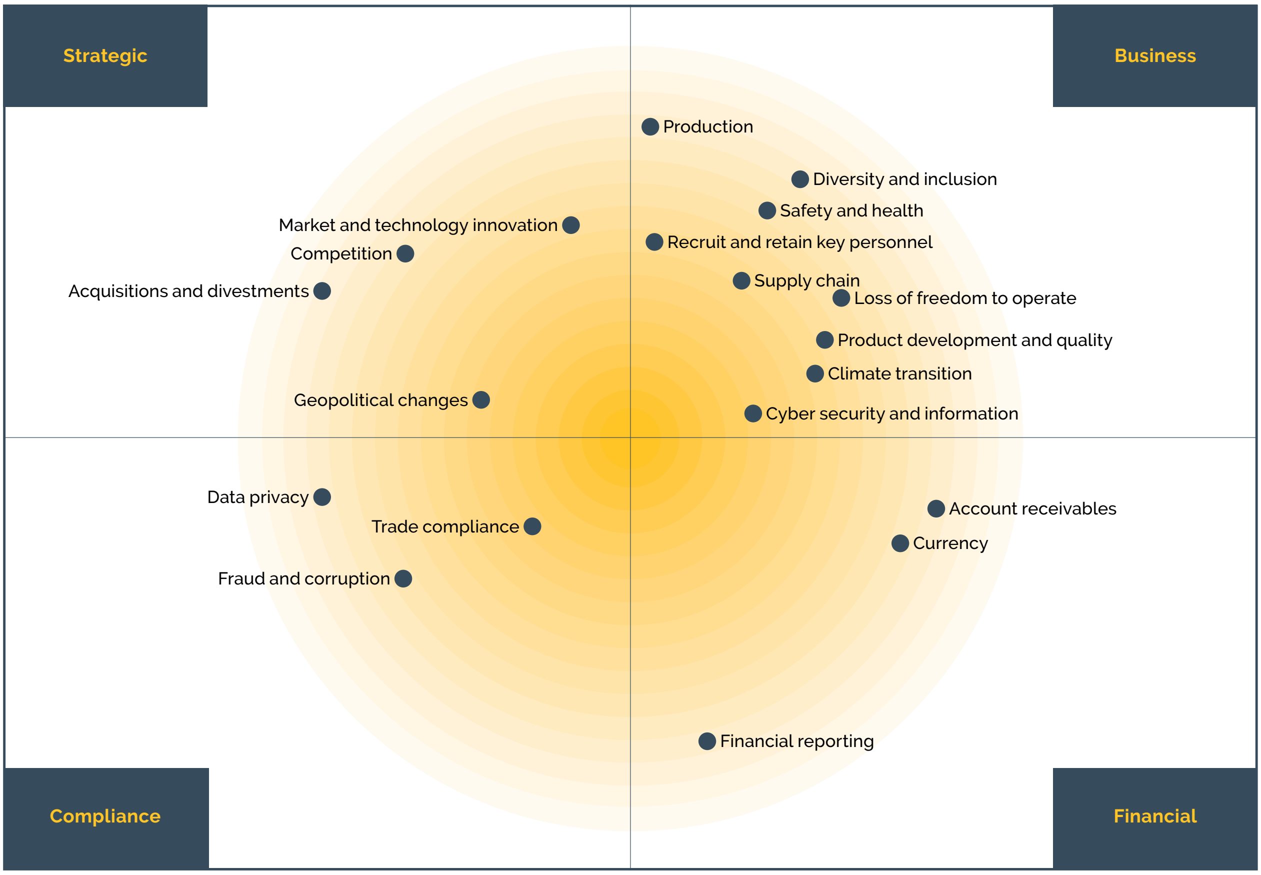
1. Strategic: Emerging and macro development risks.
2. Business: Common industry risks and risks related to the Epiroc business model, including operational risks.
3. Financial: Financial reporting risks.
4. Compliance: Focus on avoiding breaches of applicable legislation or regulations.

Additionally, Sustainability is addressed as a fifth area for capturing potential risks not already identified in the other areas. Separate, more detailed, sustainability risks are presented in the double materiality assessment under ESRS 2 in the Sustainability statement.

The consolidated outcome of the Enterprise Risk Management risk assessment is reported to both Group Management and the Board, who monitor risk management annually.

Key risk overview

In the model below our key risks, as identified in Enterprise Risk Management assessment process, are presented. These have the greatest risk factor, by negative impact, and the closer to the middle they are, the more probable. Other risks, such as insurance, reputation as well as product quality and liability cover all four areas. Our mitigating actions and opportunity per key risk are described on the following pages.



The Code of Conduct describes who we are as a company and what we stand for. It outlines the appropriate business conduct and expected behaviors we all must follow to live up to the high ethical standards and integrity we hold ourselves to. Financial results are important and a measurement of success, but just as important is how we achieve these results.

For Epiroc, conducting business in a responsible manner is of great importance. Epiroc chooses to work with business partners who stand behind the quality of the goods and services they provide and act in accordance with high ethical standards and integrity.

Key risks as identified in Enterprise Risk Management assessment process with actions for risk mitigation and opportunities

Key risk and description	Risk mitigation	Opportunities
Strategic risks		
Geopolitical changes		
Instability and geoeconomic confrontations affecting business could arise from changes in government, military control, war, or tensions between countries. These may lead to regulatory changes, such as protectionist trade policies that affect Epiroc's industry, supply chain and logistics, or affect Epiroc in geographical markets. Pandemics and resulting political regulations and restrictions could significantly impact Epiroc's operations – for instance, production and supply of equipment and aftermarket services – while also affecting customers and suppliers.	Regular discussions and updates at all business levels about geopolitical situations, footprint, targeted M&A, sales perspective, and responsive actions.	Planning for responding activities to identified geopolitical risks gives Epiroc a flexibility to adapt when circumstances change and improves Epiroc's competitive position.
Market and technology innovation		
Demand for Epiroc's equipment and services is affected by changes in customers' investment plans and production levels. These could change due to economic downturns, geopolitical tensions and volatility of mineral commodity prices. Demand also relies on customers' need for new technologies and consideration of sustainability-related risk.	A significant aftermarket requirement over the equipment lifecycle creates a large and resilient service business. A flexible manufacturing setup with a large share of components purchased from suppliers.	Opportunity to further develop the aftermarket business and increase customer satisfaction and retention. Lean initiatives in manufacturing enable a more agile setup with enhanced flexibility.
Competition		
The markets are highly competitive in terms of pricing, product design and service quality, the timing of the development and introduction of new products, customer service, and financing terms and conditions. Intense competition from significant competitors and, to a lesser extent but still increasingly, companies operating with lower costs and margins. Consolidation of competitors in our markets, resulting in fewer manufacturers, could affect our market position if Epiroc fails to effectively participate in the consolidation.	Continuous analysis and monitoring of market external factors and customer preferences in order to compete successfully and anticipate and respond to evolving market demand, including demand for new products. This also includes a corresponding mergers and acquisitions strategy.	Development of high-quality solutions that are in line with customer demand, such as increased productivity, lower total cost of ownership and reduced environmental impact. Opportunities to continuously increase operational efficiency and lower costs of operations and improve competitive position.
Acquisitions and divestments		
Failure to capture synergies as anticipated and integration shortfalls have a negative impact on the business.	A clear M&A process and focused project management for integration.	Enhancement of the integration process, leading to speed and efficiency of integration and realization of synergies.
Business risks		
Cyber security and information		
Epiroc could experience business interruptions caused by cybercrime, disruptions to critical IT services or other breaches of its information systems that could lead to loss of intellectual property. The increase in remote working in recent years has brought additional risk through exposure to more potential attack vectors. If breaches are not detected early and responded to effectively, they can harm Epiroc's reputation and have an adverse effect on the financial results.	Quarterly updates from Group Information Security to Group Management and to the Board on a semi-annual basis. The cyber security program improves the handling of cyber security risks through, e.g., targeted and general security awareness training for all employees, improved protection of Epiroc data to meet regulatory and legislative requirements and increased resilience, i.e., the capability to withstand or recover quickly from adverse events.	Improvement of cyber security and resilience goes hand-in-hand with increased customer demand for security and consolidates Epiroc's competitive position, notably within automation and digitalization.

Key risk and description	Risk mitigation	Opportunities
Climate transition		
Risks associated with the transition to a low-carbon economy include lack of compliance with new product requirements and environmental and climate-related legislation, and failure to develop, launch and market new products or respond to technological development and customer demand for sustainable products.	Continuous monitoring of environmental and climate-related legislation and establishment of relevant mechanisms. Improved environmental performance is always an important component of innovation. The Board performs an annual oversight of risks, including environmental and climate-related risks.	Increasing demand for sustainable equipment is met by developing products and services and/or expanding the offering with a better environmental performance. Battery technologies and connected equipment and other solutions can add value and help drive the transition to low-carbon solutions. Implementation of 2030 sustainability goals places the organization on the pathway to halving CO_2e emissions in Scopes 1, 2 and 3.
Loss of freedom to operate		
Intellectual property risks include legal costs related to the protection of IP rights, loss of value of an IP asset or associated product revenues as a result of legal findings of invalidity, unenforceability, or non-infringement, or challenges to title or ownership, which could cause loss of freedom to operate.	An Epiroc Intellectual Property Rights process covering risk assessment and relevant tools, such as a freedom-to-operate search and training of employees. Alignment of Intellectual Property (IP) Protection with R&D projects and M&A processes.	Protection of intellectual property contributes to business stability and improves Epiroc's competitive position.
Recruitment and retention of key personnel		
Failure to attract and retain key teams and employees poses a risk of Epiroc losing its leading position on the market. If Epiroc fails to monitor its need for employees or is unable to continue to attract and retain highly qualified management and other skilled employees on acceptable terms, the company may experience difficulties in sustaining or further developing parts of its business.	Recruitment can take place both externally and internally. Internal recruitment and job rotation are facilitated by the internal job market. Epiroc strives to maintain good relationships with unions and universities. An employee survey is carried out every year and followed up actively. Proactive performance management and development of employees with their managers.	Employer branding activities and solid onboarding programs. Ambitious targets for employees and managers, aligned with business targets, with accountability for results and in an environment of trust and individual responsibility. The 2030 sustainability goals leads and encourages the organization towards improved safety and increased diversity. Allowing remote working (depending on position) and encouraging virtual cooperation. Fostering internal mobility within the company through an internal job market. Training and development programs. Parental leave policy granting a minimum of 12 weeks of paid parental leave across the global organization.
Supply chain		
Incorrect deliveries, failure to fulfill delivery obligations or inadequate capacity at suppliers could cause delays or failures in deliveries, which in turn may cause reduced sales and a decline in customer confidence. Supply disruptions could arise from shortages of raw materials, labor disputes, weather conditions, transportation disruptions or other factors beyond Epiroc's control. Risk of Epiroc's business partners not sharing the values expressed in the Epiroc Business Partner Code of Conduct.	Selection and evaluation of business partners based on objective factors, including quality, delivery, price, and reliability, as well as commitment to environmental and social performance. Screening of selected business partners. Inventory control and establishment of a global network of sub-suppliers, to avoid supplier dependency. Provision of timely and sufficient information to suppliers enabling them to manage changes in volumes. Requirement for business partners to sign the Business Partner Code of Conduct.	Increased business agility and cost reductions as a result of improved supplier inventory management in response to changes in demand. Continued position as a preferred business partner, promoting efficiency, sustainability, and safety. Reduction of the risk of corruption and conflicts by promotion of human rights and work on improved labor conditions. Opportunity to strengthen customer relationships by readiness to support customers affected by the Dodd Frank legislation on conflict minerals.

Key risk and description	Risk mitigation	Opportunities
Product development and quality		
Several markets are characterized by technological advances and changes in customer preferences. Risks arise from failure to develop, launch and market new products in response to customer demand for productivity, circularity and sustainability. Product development is affected by legislation on matters such as emissions, noise, vibrations, pollution and recycling. This may increase the risk of competition in emerging markets where such legislation is sometimes less strict. There is also a risk of substitution of existing Epiroc products and services with lower-emission options from competitors. Any defective products will impose a risk of product liability and damage to third party property or causing bodily injury.	Continuous investments in research and development to develop products in line with customer demand and expectations. Design of products with a lifecycle and circular perspective. Design of products with reduced emissions, vibrations or noise and increased recycling potential to meet legislative requirements. Ongoing standardization of process for quality control (test, verification and validation). Ensuring that supplier management has the same level of quality assurance on vendors and suppliers.	Substantial opportunities to strengthen competitive edge by innovating high quality, sustainable products and creating an integrated value proposition for customers as well as meeting external environmental risks. Implementation of the 2030 sustainability goals leads the organization towards halving CO_2e emissions in operations, transport and use of products. Promotion of the integration of the Sustainable Development Goals into operations. Targeted activities contribute to limiting Epiroc's exposures. In addition, quality-assured products can increase customer retention, improve reputation and increase people safety.
Safety and health		
Inadequate adherence to safety and health principles and regulations can lead to accidents causing harm to people, productivity and the Epiroc brand. Health and safety laws and regulations are becoming more complex and potentially costly.	Assessment and management of safety and health risks in operations is standard procedure. All necessary safety wear is provided for employees who need to be in production or in the field. All major units are certified in accordance with the ISO45001 standard. Development of a culture with safety first in mind is key, and activities to highlight this, such as the "SafeStart-program", "Live Work Elimination" and Epiroc Safety Day, are organized throughout the Group alongside a strong Safety Management System. Business partners are offered training in Epiroc's policies including health and safety.	Improved safety and health increases productivity and employee and business partner satisfaction. Implementation of the 2030 sustainability goals lead the organization towards improved health and safety.
Diversity and inclusion		
Improper inclusion can lead to lack of innovation, poor efficiency, and loss of business opportunity. Potential claims, depending on the region, can lead to increased costs and a bad reputation.	Ensuring a diverse talent pool in Epiroc by having professional recruitment processes with talent acquisition specialists. Promoting a culture towards safety leadership. Epiroc's whistleblowing function Speak Up and compliance processes support transparency in matters where advice is sought, or concerns are raised about a potential ethical or legal violation by employees or business partners.	Varied perspectives foster creativity and innovation. Better problem-solving and decision-making due to varied experiences and viewpoints. Higher employee satisfaction and engagement, leading to better performance Easier to attracting talent from a wider range of backgrounds, enhancing competitive edge.
Production		
Epiroc's entities may face disruptions caused by events such as weather extremes, machinery breakdowns or a major fire leading to business interruption and loss of business income as well as reputational risks.	Global implementation of Epiroc Loss Prevention Standard focusing on people safety and business continuity. Entities, including newly acquired companies, are measured against our standard. The outcome provides an overview of improvement areas and recommended actions in order of priority.	Business continuity planning prepares managers and the Epiroc business on how to act in response to disruptions. Recovery is an essential factor in the case of disruption in order to keep commitments to suppliers, customers and employees and limit our exposure to financial loss.
Compliance risks		
Compliance, data privacy, fraud and corruption		
Violation of laws on anti-corruption, anti-money laundering, trade compliance, competition law compliance and data privacy may result in fines, claims for compensation and other financial damages as well as impairing Epiroc's reputation. Inadequate internal controls could result in Epiroc becoming more vulnerable in relation to individual employees acting in breach of the applicable legal framework, either by mistake or intentionally. Deficiencies in internal control could also cause investors and other third parties to lose confidence in Epiroc's reported financial information.	Mandatory training in Epiroc CoC for all employees with a requirement to sign a CoC statement, and advanced training for certain employee categories. Support for entities from in-house lawyers providing advice on corruption laws and regulations. Epiroc's internal policies and guidelines are published in the Epiroc Way. Training and digital tools to ensure that Epiroc and its employees around the world have the right knowledge for correct decision-making. The Compliance Board´s mission is to ensure that Epiroc's CoC is implemented and complied with.	The CoC and Group policies on how companies should conduct business responsibly will help ensure the trust of our stakeholders. Compliance with legal norms and laws minimizes costs. Implementation of the 2030 sustainability goals supports compliance with the CoC.

Key risk and description	Risk mitigation	Opportunities
Financial risks		
Currency, financial reporting and trade receivables		
Risk areas include currency, credit and counterparty, hedging, commodity price, tax reporting, and the risk of Epiroc encountering difficulties in repaying its debts and financing its operations. Reporting risks are risks that financial reports will not give a fair view of Epiroc's financial position and performance. There is also a risk that impairment of goodwill or other intangible assets will adversely affect the financial results.	Epiroc policies are available in the Epiroc Way. The Group manages the risks via the Financial Risk Management Committee (FRMC) with a mandate given by the Board. Group Treasury has operational responsibility for financial risk management in the Group and reports to the FRMC, which reports to the Audit Committee.	A proven process for risk management for financial risks contributes to compliance with financial laws, agility and trust and hence strengthens the position for Epiroc as a trusted business partner.
Other risks		
Insurance		
Epiroc insurance policies may provide insufficient protection.	Global insurance programs, arranged by Group Risk Management and Insurance, lead to adequacy and cost-efficiency via optimization of risk transfer levels and support for the business in understanding insurance applicability.	Cost-efficiency and control, enabling business and to meet customer and supplier commitments.
Reputation		
The risk of harm to Epiroc's reputation and a negative impact on business results may arise from various sources: customers' loss of confidence in the safety and quality of the products and services provided, deterioration of the quality of the products and services offered by Epiroc, including timing of delivery or product quality and availability, whether due to a mistake by Epiroc or a third party, failure on the part of Epiroc, or indirectly through business partners or customers, to comply with laws, regulations, ethical, social, product, labor, health and safety, environmental or other standards, or related political considerations. Epiroc may be subject to complaints and lawsuits from customers, employees, suppliers and other third parties, with allegations of product damage, health, environmental, safety, data protection, antitrust, corruption, money laundering, export restrictions or operational concerns, nuisance, negligence or failure to comply with applicable laws and regulations.	Testing and quality-assurance of all products. Monitoring of product labeling and regular communications training. Epiroc has a clear, well-known brand. The Group actively engages in stakeholder dialogue. Mandatory CoC training includes the annual signing of a CoC Compliance Statement. Reporting of ethical and legal violations via the whistleblower system (or functions), Speak Up, is encouraged via various communication channels including physical posters at our locations.	Quality-assured products improve customer satisfaction and promote recurring business. Stakeholder engagement can increase the awareness and credibility of Epiroc's brand through collaboration and adoptability . Increased access to new and emerging markets. The CoC with principles for how companies should conduct business responsibly helps Epiroc to safeguard its reputation and the trust of stakeholders. A high social and environmental profile is particularly important since Epiroc is present in many regions where the impacts from climate change may be severe and resilience low. Implementation of the 2030 sustainability goals helps to ensure compliance with applicable legislation.
Product quality and product liability		
Any defective products will pose a risk of product liability and damage to third party property or causing bodily injury.	Ongoing standardization of the process for quality control (testing, verification and validation). Ensuring that supplier management has the same level of quality assurance on vendors and suppliers.	Targeted activities contribute to limiting Epiroc's exposures. In addition, quality-assured products can increase customer retention, improve reputation and increase people safety.

Sustainability statement

Content

How to read the sustainability statement

This report is written in accordance with the Global Reporting Initiative Standards (GRI). The EU Corporate Sustainability Reporting Directive (CSRD) and its European Sustainability Reporting Standards (ESRS) have guided the content and structure of Epiroc's 2024 sustainability statement. CSRD reporting requires implementation and consolidation of numerous existing and new datapoints from across Epiroc's global operations. Over the coming years, we will continue to improve our data quality and address any information gaps. Epiroc will, as mandated by Swedish legislation, report in accordance with CSRD from the financial year 2025.

The following sections of the sustainability statement reference the ESRS, which partially overlaps with the GRI. The sustainability statement starts with ESRS 2, as ESRS 1 sets out principles for sustainability reporting but does not include any disclosure requirements. Following ESRS 2, the statement covers ESRS E1, E2, etc., including all ESRS that have been assessed as material for Epiroc.

Each new ESRS chapter includes a table of contents that links each section to the corresponding disclosure requirements in the ESRS, along with page references. These references may also direct readers to relevant pages in other parts of the annual report, as our approach to sustainability is integrated throughout the report. In conjunction with each sub-heading, there are references to the specific disclosure requirements addressed under that sub-heading.

A summarized description of our sustainability work, including our 2030 sustainability goals, can be found in the chapter Our success is based on sustainability and a strong corporate culture, pages 38-41.

Epiroc's work with the Sustainable Development Goals

The Sustainable Development Goals (SDGs) are an important UN milestone that sets the scene for ending extreme poverty, fighting inequality and injustice and protecting the environment. It is a 17-point plan for a 2030 Sustainable Development Goals society. Epiroc has a role to play in the effort to reach the SDGs by reducing negative impacts on people and the planet and by maximizing the value we deliver through our products and core business operations. We can make the greatest difference in nine of the SDG goals and their sub targets and indicators (referenced numbers) through our 2030 goals. Here is how:

5 GENDER EQUALITY

1. We aim to contribute to ending all forms of discrimination against women. We strive to increase the proportion of women employees and managers and have a target to double the number of women in operational roles by 2030. Read more in ESRS S1.

6 CLEAN WATER AND SANITATION

1-2. We aim to strengthen local communities in improving water and sanitation management through our support of 'Water for All', an initiative founded by our employees. Water-well drill rigs are part of our product offering. We also reduce water consumption in operations, read more in ESRS E3.

7 AFFORDABLE AND CLEAN ENERGY

2-3. We aim to increase the share of renewable energy and limit the use of energy overall in our operations. We are developing more efficient products and battery-electric equipment that support low-carbon alternatives. Read more in ESRS E1.

8 DECENT WORK AND ECONOMIC GROWTH

2, 5, 7-8. We aim to contribute to higher levels of economic productivity and decent job creation by providing safe and decent working conditions, a key part of our Code of Conduct (CoC). Read more in ESRS S1.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

4-5. We aim to contribute to upgrading infrastructure and retrofitting industries to make them more sustainable, growing the market for clean and environmentally sound technologies with high-productivity products and services. Read more in ESRS E1.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

2, 4-6. We use natural resources efficiently and we aim to generate less waste through elimination, reduction, recycling and reuse in our operations (ESRS E5). We reduce the use of fossil fuels and increase renewable energy in operations (ESRS E1). We provide tools for deconstruction and recycling.

13 CLIMATE ACTION

2. We aim to halve our CO_2e emissions in operations, transport, for relevant suppliers and in the use phase of our products to help tackle climate change. Our solutions support our customers in their efforts to achieve their CO_2e emissions targets and meet climate change. Read more in ESRS E1.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

2-3, 5. We aim to contribute to reducing corruption in all forms and our CoC and Business Partner CoC state zero tolerance, and a prohibition of any form of modern slavery. Internal mandatory CoC training and a Responsible Sales Assessment process are in place. Read more in ESRS S2 and G1.

17 PARTNERSHIPS FOR THE GOALS

16-17. We collaborate in different industry networks, partnerships and alliances. By mobilizing and sharing our knowledge, expertise, technology and resources, we support the achievement of the Sustainable Development Goals in countries where we operate. Read more in ESRS 2.

ESRS 2
General disclosures

Basis for preparation

With reference to

BP-1 General basis for preparation of the sustainability statement
BP-2 Disclosures in relation to specific circumstances

This report is Epiroc's seventh sustainability report written in accordance with the Global Reporting Initiative (GRI) Standards. During 2024, we continued our preparations for the upcoming EU Corporate Sustainability Reporting Directive (CSRD), which will apply in Sweden and for Epiroc from the financial year 2025. Epiroc has adopted a gradual approach to CSRD, beginning to report in line with this directive. The CSRD reporting requirements, and its European Sustainability Reporting Standards (ESRS), have guided the content and structure of this 2024 sustainability statement. The EU Commission's Omnibus proposal presented in February 2025 has not been considered for this report.

Epiroc is a signatory to the UN Global Compact. This report discloses performance in relation to the UN Global Compact's ten principles. The information is also made available on UN Global Compact's website, see www.unglobalcompact.org/what-is-gc/participants.

The report includes information on material topics where Epiroc has actual or potential significant environmental, social and governance impacts, as well as indirect impacts along the value chain. It also covers financial risks and opportunities related to sustainability matters. The report provides details on how these impacts are managed and offers information for understanding Epiroc's development and performance. Any forward-looking statements, both textual and numerical, are subject to uncertainties that are difficult to predict and often beyond Epiroc's control.

Scope

The disclosed sustainability matters and key figures are based on the double materiality assessment conducted during 2023 and 2024. The sustainability statement has been prepared on a consolidated basis, covering our own operations as well as upstream and downstream value chain. To identify and assess Epiroc's indirect impact and risks in operations outside of our direct control, such as those performed by customers or business partners, we conduct activities like value chain carbon footprint analysis and mapping suppliers' and customers' geographical locations using a third-party risk tool. The tool covers various risks, including labor standards, modern slavery, and water stress. Sustainability areas where impacts, risks, and opportunities (IROs) have been identified in the up- and/or downstream value chain include areas such as climate change mitigation and workers. Material identified IROs include CO_2e emissions and working conditions. Read more under the section Double materiality assessment.

The environmental reporting scope covers 85%, based on headcount, of the Group. All product companies (PCs), distribution centers (DCs), and technology centers (TCs) are required by the Group to report environmental data for 2024. All customer centers (CCs) are evaluated based on different factors, including the number of employees, to decide if they need to report environmental data or not. For 2024, 25 CCs are required to report environmental data.

PCs, DCs and TCs report data from significant suppliers. All entities report data on indirect sales channels (see ESRS 2).

All companies with Epiroc employees or external workforce (see ESRS S1) are required to report people management data, such as employee numbers, safety and health data, performance indicators, gender diversity, and employment classification.

Where estimates are present, this is clearly stated in each relevant section of the report. In 2025, we plan to extend our use of estimates where data is missing.

When we integrate newly acquired entities, we conduct follow-up activities to ensure smooth integration. All acquired companies are required to report their people management data the first month after closing. For environmental data, we focus on those entities with significant impact, assessing each case individually based on their size and expected environmental footprint. These acquisitions are required to report environmental data in accordance with Epiroc format during the next upcoming quarter and at the latest during the last quarter of the current year. The reported data should cover the period they have been part of the Group. 11 new acquired entities are reporting environmental data in 2024.

The report covers Epiroc's operations and part of the value chain for the 2024 financial year (1 January 2024 to 31 December 2024), unless otherwise stated. For own operations, the entities in scope are companies under Epiroc's operational control, which are those that Epiroc AB, as the ultimate parent company, either directly or indirectly owns. At year-end 2024, the number of subsidiaries was 197 (180) and the number of associated companies was 3 (4).

The reporting meets the requirements of Sweden's legislation on sustainability reporting as per Chapter 6, paragraph 11 of the Annual Accounts Act before 1 July 2024.

The report comprises pages 38-41 and 74-147. A GRI Index is available at www.epirocgroup.com/en/sustainability.

Data collection, calculation and reporting

The Safety, Health, Environment and Quality (SHEQ) manager/coordinator of each company is responsible for reporting environmental data. Responsibility for reporting supplier data rests with the sourcing manager of each company. Responsibility for reporting indirect sales channels data rests with the marketing manager or other dedicated person for each company.

Data is reported at local operating unit level, aggregated to division and Group levels and is subject to internal controls at each level prior to being subject for review by external auditors as required. Collection of data is integrated into our reporting consolidation system, with data gathered on a quarterly basis. If a restatement of data is carried out, it is either due to a change of calculation method, scope or other misstatement either by incorrect data or mistake. If identified errors are considered significant, values are corrected retrospectively and clearly commented on in the Annual and Sustainability report.

More details on data collection and calculation can be found in connection to disclosed metrics throughout the sustainability statement.

Sustainability governance and strategy

With reference to

GOV-1 The role of the administrative, management and supervisory bodies

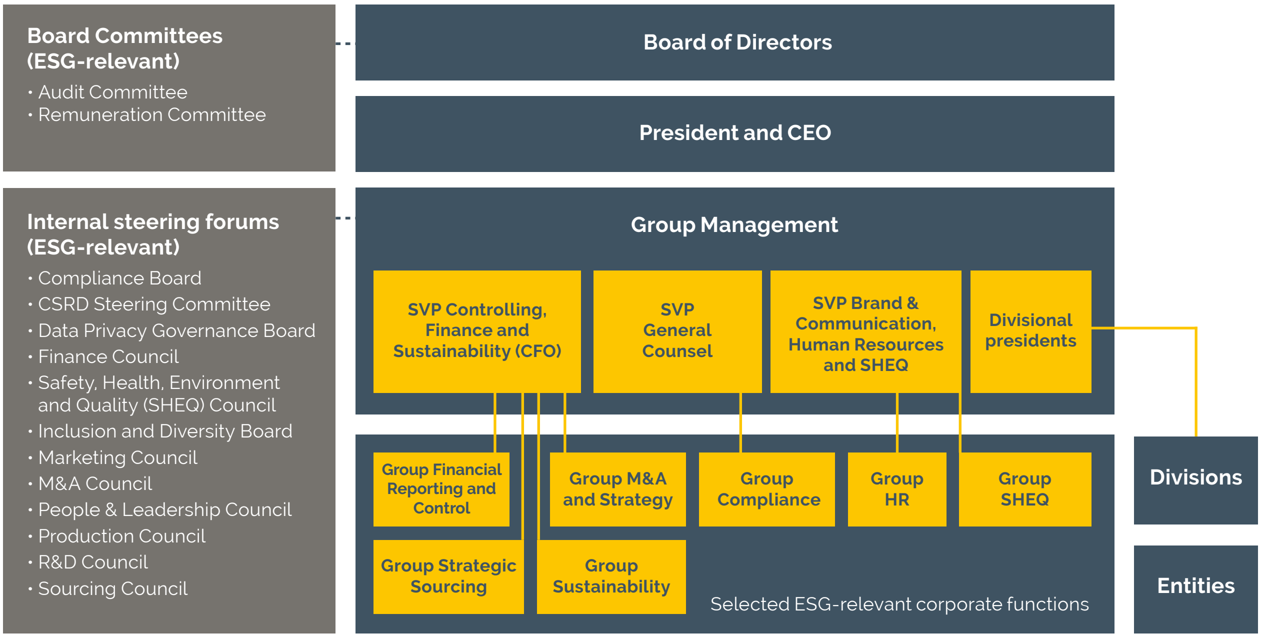
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Epiroc's strategy process occurs both on a centralized and decentralized level, with significant strategic and operational responsibilities decentralized to our divisions. The Board of Directors' tasks include establishing and monitoring overall goals and strategies, business plans, financial reports and adopting the necessary internal governing documents. The Group Management is responsible for the overall strategy as well as looking at areas outside the scope and responsibility of the divisions. The divisions, the highest operational entities in the Group, develop, execute and follow up on the strategies and objectives within the division's responsibility. Sustainability is integrated in the business and our value-creating business strategy forms the foundation for what we do, with safety being one example. We use CSRD as a tool to drive sustainability internally and to future-proof our company. Relevant trade-offs in strategic decisions associated with the material IROs, are described under the relevant IRO in the relevant topic chapter.

Epiroc's enterprise risk assessment methodology covers all divisions, identifying risks based on the Epiroc Risk Universe, including sustainability risks. The goal is to evaluate and mitigate risks through analysis, planning, and control measures. The consolidated risk assessment results are reported annually to Group Management and the Board. Read more in the chapter Risk management.

During the reporting year, the Board has followed the work related to CSRD through its Audit Committee. Representatives from the Audit Committee have had regular meetings with the CSRD project team to track the progress of our CSRD work, discuss its integration into our strategy, and review our data collection processes, among other activities. All material impacts, risks and opportunities (IROs) have been addressed by Epiroc Group Management and the Audit Committee, who have also approved the double materiality assessment.

Read more about the governance structure in the Corporate Governance section, which also includes information on the experience and professional background of the Board.



Board of Directors

Epiroc's Board has ultimate responsibility for the organization and its administration. The Board monitors how sustainability issues affect the company's risks and business opportunities. The Board safeguards that the organization complies with legal and regulatory requirements and oversees the implementation of governance frameworks, such as our internal management system, the Epiroc Way. The governance framework promotes ethical behavior, compliance, and effective risk management within the organization.

Selected ESG-relevant Board committees

Audit committee is responsible for the follow-up of the Group's sustainability reporting and for aligning it with the European Sustainability Reporting Standards (ESRS) going forward. At least four times a year, in connection with the quarterly results, the Audit Committee discusses topics and reviews progress within sustainability, together with CFO and responsible functions. The Audit Committee has access to both internal subject matter specialists and external expertise or training as needed to advise the committee and other functions.

Through the Audit Committee, the Board conducts regular audits and reviews in order to, among other things, safeguard that business conduct policies are being followed and identify areas for improvement.

Remuneration committee proposes principles for remuneration and terms of employment for members of Group Management and key personnel. Sustainability targets are included in the variable compensation plans for all Group Management members, including the President and CEO. Relevant sustainability targets, such as safety, CO_2e reductions, or a mix of targets, are also set for other managers and employees based on their roles and responsibilities.

President and CEO

The President and CEO has ultimate responsibility for delivering results in accordance with strategies and set goals, including sustainability goals, and for formulating policies.

Epiroc Group Management

The role of Epiroc Group Management is to establish strategies and policies for the Group based on the objectives set by the Board, including sustainability. It sets targets, allocates resources, and is responsible for investment planning and follow-up, acquisitions and divestments. Group Management oversees, and the business divisions ensure, that the operations and business activities comply with established policies and ethical standards.

Group Management is responsible for formulating and integrating the company mission, strategies and goals related to sustainability, corporate responsibility and compliance, into our operations, and is accountable for the results. Group Management is also responsible for overseeing IROs, due diligence and other processes to identify and manage sustainability impacts, and reviews the effectiveness of processes, while monitoring progress. Specific sustainability issues are presented to Group Management when needed.

Targets on our material IROs are set, overseen and followed-up in the same way as previous sustainability related targets. These targets can be short-term (one-year) and long-term (2030 goals, see page 39). Four times a year, progress on our short-term targets is reported to Group Management. Our 2030 sustainability goals were set by Group Management after an informed dialogue with stakeholders. For each goal, a council or board is responsible for initiating and coordinating the activities and driving the way forward. Divisions set targets and are responsible for the results. Two to four times a year, roadmaps with activities, progress and the way forward, are reported by councils or boards to Group Management and discussed in detail. At these meetings, information to further deepen the collective knowledge about sustainability topics and sustainable development is also shared with Group Management.

Divisions

Divisions are the highest operational units, led by divisional Presidents. The divisions develop, execute and follow up on the strategies and goals within the division's responsibility, and are responsible for delivering in line with the Group's financial and sustainability targets. Each division has administrative responsibility for a number of operational entities, such as customer centers and/or product companies. Administrative responsibility includes compliance and understanding of Group policies and procedures as per the Epiroc Way, and all legal requirements.

Each division has global responsibility for its own product range, and its management leads and develops the business through its production facilities, distribution centers and customer centers. Products are developed in each division in close cooperation with customer centers and customers.

The divisions and local management are responsible for the implementation of our Code of Conduct (CoC) and our compliance governance framework at a local level. Every divisional President is responsible for health and safety and for ensuring adherence to the Sustainability Policy in planning processes, strategy, training, targets and performance. Each Divisional President has support from the divisional SHEQ/Sustainability Manager and other relevant functional managers, business controllers and Sustainability Business Focal Points.

Operational entities

Epiroc has multiple operational entities that have responsibilities for sales and service, production, etc. These entities are led by General Managers. They are responsible for driving change and improvement to meet sustainability targets, and establishing strategies, processes and training. Progress is reported in Company Review Meetings.

All entities are expected to follow applicable policies and develop further guidelines and clarifications in the local management system where needed. Managers at all levels are responsible for their implementation and compliance. All policies are implemented and followed up by employees who have proper training and experience relevant for the respective policy.

Selected ESG-relevant Group functions

Our organization is based on the principle of decentralized responsibility, meaning most responsibility is delegated to the divisions. Group functions' main tasks are to support, collaborate and coordinate with the divisions in creating a uniform approach, and provide policies, guidelines, tools and instructions. Selected ESG-relevant Group functions are:

Group Strategy supports and coordinates the strategic development of the Group and the divisions.

Group Sustainability coordinates and drives sustainability and corporate responsibility work for the Group. Responsible together with Financial Reporting and Control for the sustainability reporting.

Group Safety, Health, Environment and Quality (SHEQ) supports the Group with requirements and guidelines to improve performance within these areas.

Group Human Resources (HR) develops guidelines, working practices and tools to drive the HR agenda and enhance HR capabilities across the Group.

Group Strategic Sourcing develops tools, processes and training to support strategic sourcing across the Group.

Group Compliance is responsible for Epiroc's CoC and Epiroc's Compliance Programs including trade compliance.

Group Financial Reporting and Control is responsible for the reporting process, consolidation of sustainability data and ensuring compliance with regulatory and internal requirements. Responsible together with Sustainability for the sustainability reporting.

Selected ESG-relevant internal steering forums

Councils and internal boards secure a common approach, coordinate common programs and projects, set strategies and consolidate progress for 2030 goals results, and communicate to divisions.

Compliance Board's mission is to safeguard that Epiroc's CoC and Group policies referenced in the Code are implemented and complied with. It provides input on, supports implementation and follows up on the adherence to Group compliance policies.

The members are: SVP General Counsel (Chair), SVP Brand & Communications, HR and SHEQ, VP Sustainability, VP Group Compliance, Head of Internal Control, and all divisional Presidents.

Inclusion and Diversity Board is responsible for setting targets, initiating activities, safeguarding progress as well as acting as ambassadors and leaders for achieving our goals and ambitions in this area. The members include the President and CEO, senior operational managers and specialist functions.

Group Safety, Health, Environment and Quality (SHEQ) Council supports integration of safety, health, environment and quality priorities. It is responsible for leading occupational health and safety, and environmental practices at Group level, including initiating and driving common Group programs, projects and activities. Members include representatives from each division and relevant Group functions.

People & Leadership Council leads the overall People & Leadership agenda and Human Resources function within Epiroc. This includes common initiatives, monitoring performance, sharing best practices, and safeguarding associated capabilities. Members include senior human resource managers from each division and Group HR.

Sourcing Council is responsible for the Purchasing Policy, while the divisions are responsible for compliance. Local management is responsible for evaluating their suppliers and indirect sales channels according to the requirements in our CoC and Business Partner CoC. Members include representatives from each division and relevant Group functions.

Marketing Council is responsible for communicating changes and for following up the implementation of the Responsible Sales Assessment Policy. VP Sustainability is responsible for the policy and for updating it. General Managers and divisional Presidents are responsible for performing responsible sales assessments.

Sustainability Business Focal Points are appointed from each division with the purpose of integrating and driving sustainability topics from a business perspective.

Data Privacy Governance Board, along with the Group Data Privacy Manager, safeguards data privacy for employees and stakeholders. It supports governance and implement tools to enhance visibility and quality. VP Group Compliance oversees the Data Privacy Governance Policy.

Risk management and internal controls over sustainability reporting

With reference to

GOV-1 The role of the administrative, management and supervisory bodies
GOV-5 Risk management and internal controls over sustainability reporting

While Epiroc strives for quality and accuracy in its disclosures and reporting, a lot of new data flows are being established to capture and consolidate data for CSRD. Data quality is therefore a focus area that will see gradual improvement in coming years.

Inaccuracy could arise from factors such as manual errors, data inconsistencies, and challenges in aggregating data from multiple systems into Epiroc's consolidation system, or consolidating information across the value chain.

We have identified internal control objectives for all business processes, including sustainability. We continuously evaluate and implement controls, with priority given to the most significant risks. We have strengthened controls for selected material ESRS data points and will continue this rollout in 2025. The Board oversees internal control through the Audit Committee. Epiroc has dedicated Internal Control and Internal Audit & Assurance functions, with the latter reporting directly to the Audit Committee. The risks of sustainability reporting are discussed with the Audit Committee and external auditors, who provide their assessment to both the Audit Committee and Group Management. External auditors provide limited assurance on GRI disclosures, as defined in the assurance statement on page 147.

Most data is consolidated within Epiroc's dedicated sustainability reporting system with procedures in place to ensure accurate, complete, timely disclosures, transparency and traceability. Data for different areas is collected at different time intervals, depending on the specific monitoring requirements of each metric. For example, environmental data is reported quarterly, and employee and safety metrics are reported monthly. For data reported outside this system, such as weight of material inflow and adequate wages, Group Financial Reporting and Control reviews the reported information. We have established accounting policies and internal guidelines to ensure consistent reporting, including standardization of terms, formulas, and key variables like emissions factors, in compliance with the GHG Protocol. To avoid misstatements in data reporting, we implement a series of quality checks at the entity, division, and group levels. Any deviations and errors are thoroughly analyzed, documented, explained, and communicated to the respective divisions. We have a follow-up process and a protocol in place to ensure detected errors are addressed and communicated effectively.

Interests and views of stakeholders

With reference to

SBM-2 Interests and views of stakeholders

We define our most important stakeholders as groups for which we aim to create value, or on which Epiroc is dependent for the long-term value creation of the company.

The purpose and benefits of stakeholder engagement are many. To understand the perspectives, concerns, and expectations of our stakeholders, Epiroc continuously conducts stakeholder dialogues as part of normal business operations. This provides Epiroc with information about sustainability topics necessary for understanding its development and performance. It also contributes to the understanding of direct and indirect impacts from our operations and along the value chain, among suppliers and when products are in use.

Feedback from stakeholders can lead to increasing focus on, for example, tackling climate change and the importance of responsible business practices, operational safety as well as product safety. Not only can stakeholder engagement help mitigate certain risks, e.g., reputational risks, but it also presents important input for business opportunities through collaboration and innovation. Engagement with stakeholders provides new knowledge from direct dialogue in meetings with, for example, customers and investors, and from networks and seminars with external parties, as well as input to content and format for necessary new or updated training for management and employees.

We regularly communicate stakeholders' perspectives and concerns regarding our sustainability impacts to the Board of Directors and Group Management. Specific information is also communicated through quarterly updates on our 2030 sustainability targets and annually in our employee survey.

See the section Double materiality assessment, for information on how the stakeholders' views are included in the double materiality assessment.

Key stake-holders	How engagement is organized		Examples of engagement impact on operations, business model and strategy
Customers *Current and potential*	Meetings, interaction via customer centers, joint projects, exhibitions, customer surveys. Examples of networks: - Committee for European Construction Equipment (CECE) - EIT Innoenergy - EIT RawMaterials - EU Battery Alliance - Euromines	- European Technology Platform on Sustainable Mineral Resources (ETP SMR) - Global Mining Guidelines Group (GMG) - Swedish Association for Construction Equipment (SACE) - Swedish Metals & Minerals - Swedish Mining Industry (SWEMIN) - Swedish Mining Innovation (SMI)	- Elaborated business strategy and model. - Increased product/service improvements and offering. - Live Work Elimination Program. - Reduced CO_2e emissions in product use phase and development of product lines with reduced emissions. - Recyclable products. - Supporting local community projects.
Share-holders/ investors *Current and potential*	Investors and analysts' meetings, calls and seminars, quarterly reports and presentations,	Capital Market Days, media interviews, Annual General Meetings, Annual and Sustainability Report, website and surveys.	- Provide sustainability and/or green financing options. - Meet the information needs of investors for sustainability data. - Increased transparency, quantity, and quality of sustainability data. - Sustainability targets in management remuneration. - Adopted science-based targets.
Employees *Current and potential*	Workplace meetings, management meetings, team meetings, manager forums, internal councils, employee surveys and workshops, performance reviews, trade unions and other cooperation councils (for example, European Works Council), CEO Situation Updates,	training and development programs, employee engagements, annual Epiroc Day, annual Safety Day, materiality assessment, Intranet, and whistleblower channel.	- Implementation of health and safety programs, aiming for zero-accident workplaces. - Strategy updates, business opportunities and challenges. - Internal policy updates. - Inclusion of views and perspectives of employees in actions taken by Epiroc to address material impacts, risks and opportunities. - Culture of business integrity. - Implementation of diversity and inclusion programs. - Implementation of global leadership programs and other targeted trainings. - Resource-efficient production. - Energy efficiency program and investment in solar panels.
Business partners *Suppliers, sub-suppliers, joint-ventures partners, indirect sales channels*	Business partner evaluations and audits, procurements, meetings, joint projects, and development projects. Example of networks: - Association of Equipment Manufacturers (AEM) Substance Compliance Council - CECE, HLTPG Advisory Board	- EIT Innoenergy - EIT RawMaterials - ETP SMR - EU Battery Alliance - Euromines - Responsible Mining Initiative (RMI) - SACE - SMI - Swedish Metals & Minerals - SWEMIN - The Swedish Steel Producers' Association	- Business partner Code of Conduct. - Requirement of 50% reduction of CO_2e emissions from relevant suppliers. - Informed selection of suppliers. - Supplier improvement plans. - Test pilots and fossil-free steel agreements with selected suppliers. - Implementation of transport management system and regional distribution centers.
Society *Governments, affected communities, non-governmental organizations, industry partners, academia, society*	Meetings, stakeholder dialogues, participation in industry groups, research projects, collaboration with academia and governments, and interaction with industry peers. Example of networks: - Association of Swedish Engineering Industries - AEM Substance Compliance Council - CECE, HLTPG Advisory Board	- EIT Innoenergy - EIT RawMaterials - EU Battery Alliance - ETP SMR - Euromines - ICC International Commission on Corporate Responsibility & Anti-Corruption - SACE - Swedish Electromobility Centre - Transparency International - UN Global Compact Network Sweden	Governments, policymakers, and regulators: - Aligning business model and strategy. - Ensuring that Epiroc acts in compliance with market regulations. Industry and sustainability associations: - Alignment on sustainability practices and measurement standards. - Design of sustainability value chain initiatives. Academia: - Joint research and development projects. - Education and training cooperation and partnerships. - Jobs and traineeships. NGOs/Affected communities: - Support of local projects for community development. - Support of Water for All projects. - Public Private Partnership Programme in DR Congo.

Statement on due diligence

With reference to

GOV-4 Statement on due diligence

Core elements of due diligence	Section	Pages	Connected ESRS disclosure requirement	The disclosure relates to
Embedding due diligence in governance, strategy and business model	Value-creating strategy	12-13	SBM-1	People and Environment
	Well-proven business model	36-37	SBM-1	People and Environment
	Sustainability governance and strategy	77-79	GOV-1 GOV-2	People and Environment
	Double materiality assessment	83-88	IRO-1 IRO-2 SBM-1 SBM-3	People and Environment
Engaging with affected stakeholders in all key steps of the due diligence	Interests and views of stakeholders	80-81	SBM-2	People and Environment
	Double materiality assessment	83-88	IRO-1 IRO-2 SBM-1 SBM-3	People and Environment
	Processes for engaging with own workforce	117-118	S1-2	People
	Processes for engaging with workers in the value chain	127-128	S2-2	People
	Processes for engaging with affected communities	133	S3-2	People
	Processes for engaging with customers about impacts	136	S4-2	People
Identifying and assessing adverse impacts	Interests and views of stakeholders	80-81	SBM-2	People and Environment
	Double materiality assessment	83-88	IRO-1 IRO-2 SBM-1 SBM-3	People and Environment
	Processes for engaging with own workforce	117-118	S1-2	People
	Processes for engaging with workers in the value chain	127-128	S2-2	People
	Processes for engaging with affected communities	133	S3-2	People
	Processes for engaging with customers about impacts	136	S4-2	People
Taking actions to address those adverse impacts	Transition plan for climate change mitigation	89-91	E1-1	Environment
	Processes for remediation and channels to raise concerns	118 128 137	S1-3 S2-3 S4-3	People
	Actions and resources	95-96 102 104 107-108	E1-3 E2-2 E3-2 E5-2	Environment
		118-120 128-129 134 137-138	S1-4 S2-4 S3-4 S4-4	People
Tracking the effectiveness of these efforts and communicating	Metrics and targets	97-99	E1-4 E1-5 E1-6 E1-7 E1-8	Environment
		102	E2-5	Environment
		104	E3-4	Environment
		109	E5-4 E5-5	Environment
		120-123	S1-5 S1-6 S1-8 S1-9 S1-10 S1-14 S1-16 S1-17	People
		130-131 134 138	S2-5 S3-5 S4-5	People

Double materiality assessment

With reference to

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

During 2023 and 2024, Epiroc conducted a double materiality assessment in accordance with the requirements of the ESRS. A third-party assurance consultancy agency supported us in the process. The previous materiality process was conducted in accordance with GRI requirements. The new double materiality assessment combines:

- The organization's impact on people or the environment in financial decision-making processes (inside-out perspective); and
- The impact from financial risks and opportunities that sustainability matters can have on the organization (outside-in perspective).

The assessment covered Epiroc's own operations as well as our upstream and downstream value chain. Geographically, the scope was global, with a focus on regions where we have a large presence in terms of employees, suppliers, and customers, while also considering areas with heightened risks of e.g., human rights violations. The time horizons considered were short-term (within the financial year), medium-term (1-5 years), and long-term (beyond 5 years).

The assessment was performed in five stages:

1. Definition of the scope of environmental, social, and governance (ESG) matters.
2. Initial identification of impacts, risks and opportunities (IROs).
3. Ranking of material topics.
4. Validation with key internal stakeholders.
5. Review and approval by Epiroc Group Management and Audit Committee.

1. Definition of the scope of ESG matters

Epiroc's value chain was mapped, and research was conducted on relevant sustainability topics for the company, its value chain, and industry. We gathered insight from analyzing industry peers and future trends, ESG ratings, data from an external risk data provider, investor focus areas, previous materiality assessments, Epiroc's enterprise risk assessment process, and strategic plans. After excluding irrelevant topics, a comprehensive list of relevant sustainability matters was established.

2. Initial identification of IROs

We held 21 workshops with internal representatives covering all relevant sustainability matters and parts of the value chain. These sessions aimed to identify actual and potential IROs based on our value chain's activities and dependencies. Dependencies include, for example, reliance on natural resources, workforce, technological development and relationships with stakeholders. Example of activities and dependencies were used to get the workshop discussions going.

Each workshop group first discussed negative and positive impacts of each sustainability matter. In a second step, they identified risks and opportunities based on the identified impacts. The participating stakeholders included representatives from strategy, divisions, supply chain, customers, own operations, research and development, supplier activities, sustainability, sustainability control, human rights, human resources, legal, investor relations, governance, and SHEQ.

Epiroc's CSRD Project Manager and relevant internal stakeholders representing each ESRS, for example Group Environmental and Chemical Manager, and Group Climate Change Manager, were part of the double materiality assessment from start to finish. This approach helped us ensure a holistic approach and detect important interconnections. For instance, Epiroc's efforts to improve circularity – such as reducing waste and using resources more efficiently – also contribute to reducing CO_2e emissions, thereby supporting our climate-related goals.

We have not conducted a comprehensive screening of all products or services, nor have we evaluated specific site locations. However, site-specific IROs have been identified and assessed.

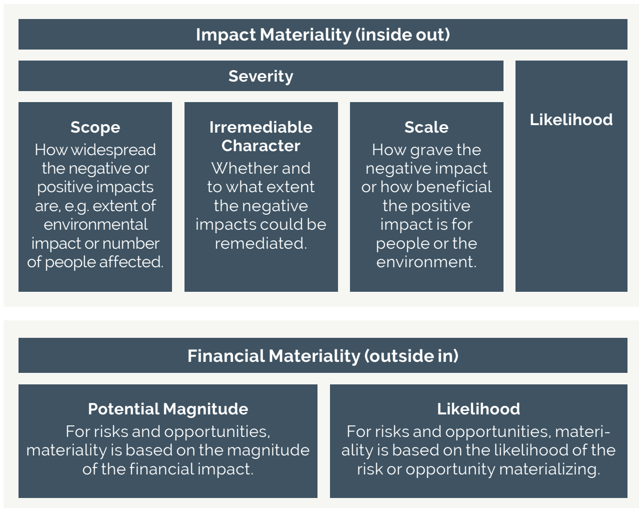
3. Ranking of material topics

With the identified IROs as the foundation for each sub-topic, the sub-topics were prioritized through ranking based on anonymous voting. This was done by internal sustainability experts, representatives from divisions and Group Management.

Positive impacts were assessed based on scale, scope, and likelihood, while negative impacts were assessed based on severity (consisting of scope, irremediable character, and scale) and likelihood. Topics concerning activities that do not occur in Epiroc's value chain (for example, the topic Animal welfare) or that are not relevant due to our business structure (for example, the topic Social inclusion of consumers), were considered irrelevant for the assessment. For human rights impacts, severity took priority over likelihood. Risks and opportunities were assessed based on their magnitude and likelihood of occurrence. Numerical scales were used to quantify these factors. However, when determining materiality, qualitative and varying degrees of subjective judgment was needed. All sub-topics were scored at a gross level.

4. Validation with key internal stakeholders

The outcome was discussed and analyzed together with internal subject matter experts, CFO, VP Group Controller, VP Investor Relations, VP Sustainability, Head of Group SHEQ and CSRD Project Manager to refine and validate the result.



5. Review and approval by Epiroc Group Management and Audit Committee

The final outcome was then approved by Epiroc Group Management and Audit Committee.

Outcome

The process resulted in 16 material sub-topics, divided into 9 topical standards. See the material sub-topics below and a brief description of identified IROs on the following pages, also presented alongside each topical standard (ESRS).

The disclosed information is assessed as material based on its relevance for managing material IROs. The process involved assessing whether the disclosures support our ability to address material IROs through actions, policies, metrics and targets. Non-material disclosures encompass quantitative and qualitative information that has limited relevance across our value chain, plays no significant role in IRO management, or for which disclosure is voluntary. For more information on certain metrics, see each ESRS.

The identified material IROs were provided as input to Epiroc's strategy and enterprise risk assessment processes. They inform our ongoing efforts to enhance sustainability, guide target-setting, and prioritize actions.

The materiality assessment will be revised regularly.

	ESRS topical standards		Material sub-topics
Environment	ESRS E1	Climate change	• Climate change mitigation • Energy
	ESRS E2	Pollution	• Substances of concern (SOC) • Substances of very high concern (SVHC)
	ESRS E3	Water and marine resources	• Water
	ESRS E5	Resource use and circular economy	• Resource inflows • Resource outflows
Social	ESRS S1	Own workforce	• Working conditions • Equal treatment and opportunities for all
	ESRS S2	Workers in the value chain	• Working conditions • Other work-related rights
	ESRS S3	Affected communities	• Communities' economic, social and cultural rights
	ESRS S4	Consumers and end-users	• Personal safety of consumers and/or end-users (Product safety)
Governance	ESRS G1	Business conduct	• Corporate culture • Protection of whistleblowers • Corruption and bribery

Non-material environmental sub-topics are: Climate change adaptation, Pollution of air, Pollution of water, Pollution of soil, Pollution of living organisms and food resources, Microplastics, Marine resources, Direct impact drivers of biodiversity loss, Impacts on the state of species, Impacts on the extent and condition of ecosystems, Impacts and dependencies on ecosystem services, Waste.

Non-material social sub-topics are: Own workforce – Other work-related rights, Workers in the value chain – Equal treatment and opportunities for all, Communities' civil and political rights, Rights of indigenous peoples, Information-related impacts for consumers and/or end-users, Social inclusion of consumers and/or end-users.

Non-material governance sub-topics are: Animal welfare, Political engagement, Management of relationships with suppliers including payment practices.

Selected matters not considered material

Epiroc's materiality assessment will be regularly revised. Below, we provide explanations for two sustainability matters that have been assessed as non-material this year.

Biodiversity

The most significant biodiversity impact linked to Epiroc's value chain stems from the activities of our customers and to some extent suppliers further up the supply chain, particularly related to mine openings. Although selling mining equipment does indirectly contribute to biodiversity impacts, the major effects come from the mining operations. Since our products and operations have minimal influence on decisions regarding mine openings or closures, our direct impact on biodiversity is assessed as low. Consequently, we assess our impact on biodiversity as medium and not material. We recognize the importance of continuing to monitor and expand our understanding of this topic moving forward. We continue to work with solutions that lead to less impact on biodiversity for our customers, such as our automation solutions that help with more precise drilling.

Climate change adaptation

From a double materiality and impact perspective, Epiroc views climate change adaptation as providing products or services that support adaptation efforts—a focus deemed less relevant for our operations. From a financial perspective, climate adaptation is primarily seen as being impacted by physical risks, while transition risks fall under the broader 'climate change' sub-topic.

To identify climate adaptation-related IROs, we used insight from our qualitative scenario assessment in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which identified some long-term physical risks. During the double materiality assessment, those risks were evaluated considering Epiroc's diversified supply chain and the location of major production sites in low-risk areas. Although important risks, together with the financial threshold used, the financial impact was not considered significant enough to be material.

Environment

Material impacts, risks, and opportunities (IROs)		Location in value chain			Time horizon		
		Up-stream	Own operations	Down-stream	Short-term	Medium-term	Long-term
E1 Climate Change							
Transition to a low-carbon economy can increase demand for key minerals	Opportunity			●	●	●	●
CO_2e emissions from own operations (Scope 1 and 2)	Actual negative impact		●		●	●	●
CO_2e emissions from purchased goods and services (Scope 3)	Actual negative impact	●			●	●	●
CO_2e emissions from up- and downstream transportation and business travel (Scope 3)	Actual negative impact	●		●	●	●	●
CO_2e emissions from the use phase of Epiroc's sold products (Scope 3)	Actual negative impact			●	●	●	●
Emissions-free* and energy-efficient products can enable decarbonization and healthier workplaces	Actual positive impact			●	●	●	●
Failure to innovate emissions-free* and energy-efficient solutions can risk market share loss	Transition risk		●	●		●	●
Customers' CO_2e reduction ambitions can drive demand for products that are emissions-free* and energy-efficient, and have lower embodied emissions	Opportunity		●	●	●	●	●
Customer caution in investing in electrification technology can reduce demand for battery/electric products	Transition risk			●	●	●	●
Increased energy prices as a result of geopolitical events can affect Epiroc's profitability	Risk	●	●	●	●	●	●
Failure to achieve 2030 climate goals can harm Epiroc's reputation	Transition risk	●	●	●		●	●
E2 Pollution							
SOC and SVHC can be a risk to health and environment, and may hinder recycling or reuse	Actual negative impact	●	●	●	●	●	●
SVHC presence may limit sales due to increasing legislation and pressure for removal	Risk	●	●	●	●	●	●
E3 Water and marine resources							
Inefficient water use in our value chain can strain local water resources	Potential negative impact	●	●	●	●	●	●

* Emissions-free products do not emit exhaust gas or other pollution from the onboard source of power, also referred to as zero tailpipe emissions.

Material impacts, risks, and opportunities (IROs)		Location in value chain			Time horizon		
		Up-stream	Own operations	Down-stream	Short-term	Medium-term	Long-term
E5 Resource use and circular economy							
Epiroc relies on non-renewable natural resources as input to our products	Actual negative impact	●	●			●	●
A circular approach can boost resource efficiency and reduce need for new components and materials	Opportunity		●	●	●	●	●
Resource scarcity and rising material prices can increase costs	Risk	●	●			●	●
Not all products and components may be financially viable to service or repair	Actual negative impact	●	●	●		●	●
Lifecycle design and circular services can extend machine life, boosting profits	Opportunity	●	●	●	●	●	●
Stricter regulations can push customers toward circularity, and failing to keep up with developments may risk our market position	Risk		●	●		●	●

Social

Material impacts, risks, and opportunities (IROs)		Location in value chain			Time horizon		
		Up-stream	Own operations	Down-stream	Short-term	Medium-term	Long-term
S1 Own workforce							
Epiroc's own production, and services to customers, can be associated with health and safety risks	Actual negative impact		●		●	●	●
Safety and health challenges and a weak safety culture can lower productivity and negatively impact Epiroc's brand	Risk		●		●	●	●
Inequality and diversity issues can affect pay, training, discrimination and hiring	Potential negative impact		●		●	●	●
Inequality and diversity can lead to lack of innovation and harm Epiroc's reputation	Risk		●		●	●	●
If Epiroc fails in employment standards, it can impact employees	Potential negative impact		●		●	●	●
S2 Workers in the value chain							
If poor working conditions occur among suppliers and in countries we source from, this can harm workers and infringe on labor rights	Potential negative impact	●			●	●	●
Rapid electrification may push Epiroc to source from countries with a heightened risk for human rights issues	Potential negative impact	●			●	●	●
If poor working conditions occur among suppliers and in countries we source from, this can harm Epiroc's reputation or lead to fines	Risk	●			●	●	●
If poor working conditions occur downstream, it can harm workers and infringe on their labor rights	Potential negative impact			●	●	●	●
Electric mining equipment improves worker health for customers	Actual positive impact			●	●	●	●
Failure to consider risks of poor working conditions and that human rights are not respected downstream, could harm Epiroc's reputation	Risk			●	●	●	●

Material impacts, risks, and opportunities (IROs)		Location in value chain			Time horizon		
		Up-stream	Own operations	Down-stream	Short-term	Medium-term	Long-term
S3 Affected communities							
If communities in high-risk areas are negatively impacted by customers' activities, there can be a risk that human rights are not respected	Potential negative impact			●	●	●	●
If communities in high-risk areas are negatively impacted by customers' mining and infrastructure activities, it can harm Epiroc's reputation	Risk			●	●	●	●
S4 Product safety							
Misuse of products and defective products can risk customer health and safety	Potential negative impact			●	●	●	●
Misuse of products and defective products can risk liability and lead to reputational damage	Risk			●	●	●	●
Safe solutions can increase Epiroc's competitive-ness and stakeholder satisfaction	Opportunity			●	●	●	●

Governance

Material impacts, risks, and opportunities (IROs)		Location in value chain			Time horizon		
		Up-stream	Own operations	Down-stream	Short-term	Medium-term	Long-term
G1 Business conduct							
Failure to protect whistleblowers' anonymity can lead to retaliation	Potential negative impact	●	●	●	●	●	●
Lack of protection for whistleblowers can lead to legal and reputational harm	Risk	●	●	●	●	●	●
Non-adherence to our Code of Conduct internally may cause unequal treatment and harassment	Potential negative impact	●	●	●	●	●	●
Unhealthy culture could hinder talent attraction, productivity, and innovation	Risk		●		●	●	●
Corruption or bribery can lead to legal conse-quences and hinder social development	Potential negative impact	●	●	●	●	●	●
Corrupt behavior may cause financial loss/fines and damage reputation	Risk	●	●	●	●	●	●

Climate change resilience analysis

Our climate change resilience analysis was included as part of the input for the double materiality assessment. During 2021, a qualitative scenario assessment was performed for physical and transitional climate-related risks and opportunities in short- (5-10 years), medium- (10-30 years) and long-term (30-50 years) time horizons. A physical and transition risk mapping and scenario analysis was conducted in line with the TCFD recommendations, to explore the potential future states and their impacts. Physical climate risks arise from physical events, and transition risks result from changes arising from society adapting to a low-carbon economy.

The physical risk mapping of Epiroc's production facilities, distribution centers, and key suppliers was conducted using an external climate risk tool that categorizes risks associated with specific geographical locations. The following physical risk factors were used:

- Acute physical risks: coastal flood hazard, drought hazard, extra-tropical cyclone hazard, flood hazard, landslide hazard, severe storm hazard, tropical storm and cyclone hazard, and wildfire hazard.
- Chronic physical risks: climate change exposure, cooling degree days, heating degree days, heat stress, sea level rise, climate model uncertainty, and water stress.

We linked these risks to our operations and our key suppliers' operations, identifying potential impacts. The data and risk mapping was also used to analyze how physical climate risks might affect the end market and aftermarket services.

Based on the physical risk mapping, we prioritized identified risks, partly by using climate scenarios. A physical risk scenario from the International Panel for Climate Change (IPCC) was combined with input from several transition scenarios, to predict the development of transition risks in short-, medium- and long-term time horizons. Transition risks in the risk tool included:

- CO_2e emissions from energy use
- CO_2e emissions from land use change and forestry
- Carbon policy
- GHG targets
- Low-carbon economy
- Total GHG emissions

The results of the identified climate risks and opportunities from this analysis were incorporated into our double materiality analysis. In 2025, a revision of the qualitative scenario risk- and resilience analysis will be performed.

Physical risks

Physical risks affecting suppliers or Epiroc's own operations, were identified as risks in a Business-As-Usual scenario by the IPCC (RCP 8.5 scenario), which would deliver a temperature increase of 4–5 degrees. The scenario includes severe physical impacts and increased frequency if the measures to prevent further climate change remain ineffective. One potential risk is difficulties reaching customer sites for our service personnel due to an extreme weather event. However, our service personnel are localized at or close to customer sites, and the risk is viewed as limited in impact. Another risk is supply interruptions, which could arise from shortages of raw materials and weather conditions affecting products or shipments, transportation disruptions or other factors beyond Epiroc's control. However, the impact for Epiroc is considered low due to possible mitigation measures, such as reducing single-supplier dependency, and strategic location of production facilities, distribution centers and suppliers.

Transition risks

For transitional risks, for example, the IPCC (RCP 2.6 scenario): Global warming of 1.5 degrees, Greenpeace Advanced Energy Revolutions and the IEA World Energy Outlook scenarios to 2040, were used. One identified risk is reputational risk arising from Epiroc's ties to the mining industry, which is often seen as a high-risk industry in terms of climate and the environment. At the same time, it is important to remember that the mining industry and access to minerals such as copper will play a key role in the green transition.

A stress test based on a 1.5-degree transition scenario, where several regulatory requirements are implemented to reduce emissions and to reach net-zero objectives, showed that coal mining could face higher carbon taxes or operating restrictions. Read about Epiroc's exposure to coal under the section Coal exposure in ESRS E1.

Another risk connected to technology and product development, is failure to develop, launch and market new products or respond to technological development and customer demand for sustainable products. This could lead to substitution of existing Epiroc products and services with less emitting options from competitors. However, this risk is viewed as limited due to Epiroc's strategic focus on innovation, digitalization, automation and electrification, as well as embracing new business opportunities.

Climate-related opportunities

The transition to a low-carbon economy presents significant climate-related business opportunities for Epiroc, as the mining and infrastructure industries are needed for this transition. Growing demand for sustainable infrastructure and electrification is driving increased demand for minerals such as copper, zinc and nickel, which account for a large part of Epiroc's revenues.

Epiroc continues to invest in R&D, acquisitions and partnerships to safeguard our position and to support customers' efforts to lower their emissions. Expected increased demand from customers for solutions with lower environmental impact, e.g., for battery-electric equipment and automation, aligns with Epiroc's leading position in electrification and automation, positioning us for growth in this area.

Changes in material matters compared with previous reporting periods

Epiroc's double materiality assessment conducted in 2023 and 2024 has been based on the ESRS requirements. Several of the material topics were previously merged under broader categories and are now separated into sub-topics according to ESRS. This does not mean their importance has changed. The sustainability matters SOC, SVHC, and Water, which were not considered material in previous assessments, have now been identified as material topics under the new upcoming requirements from ESRS for Epiroc.

ESRS E1
Climate change

Transition plan for climate change mitigation

With reference to

E1-1 Transition plan for climate change mitigation

In 2020, we set ambitious long-term 2030 sustainability goals for People and Planet, including goals to halve emissions from operations, products, transport and suppliers by 2030, compared with the base year 2019. Our transition plan to achieve our 2030 goals is continuously evolving to ensure its effectiveness. We regularly assess both current and future challenges in achieving the CO_2e reductions necessary to meet our 2030 climate goals. We are committed to do what is needed to ensure we reach these targets.

GHG emission reduction targets

Our 2030 climate goals were set by Group Management after an informed dialogue with stakeholders. For each goal, a council or board is responsible for initiating and coordinating the activities and driving the way forward. Divisions set targets and are responsible for the results. Twice a year, roadmaps that include decarbonization levers, planned actions, one-year targets, base year emissions and actual outcome, are reported by councils to Group Management and discussed in detail. Our roadmap to achieve our 2030 goals is firmly anchored in the organization. The progress on these goals is reported to the Board quarterly. Read more about the goals under Metrics and targets.

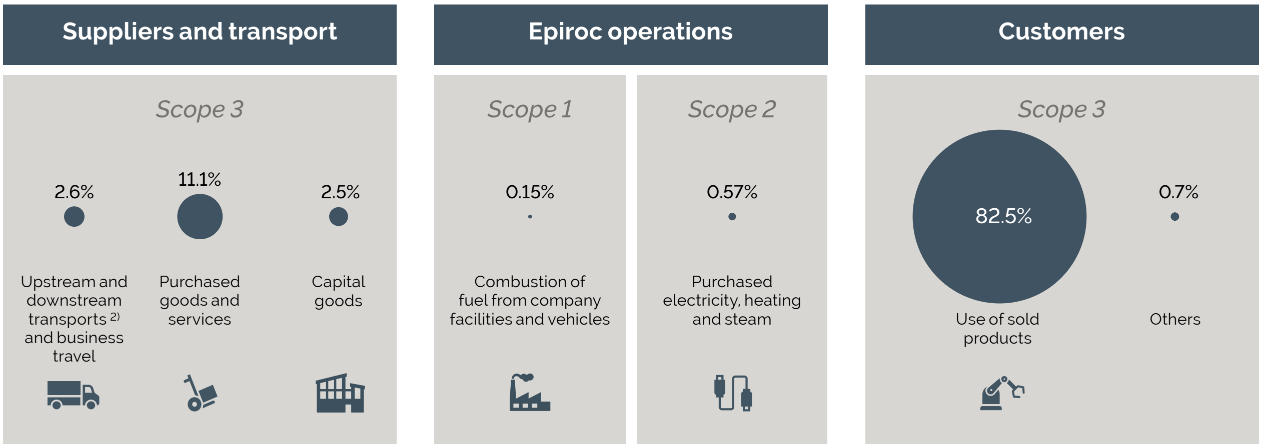
In 2021, we performed a value chain carbon footprint analysis with 2019 as base year. The result showed that more than 99% of our total CO_2e emissions fall under Scope 3, other indirect emissions, and more than 80% come from the use of sold products. Our value chain CO_2e emissions formed the basis for our target-setting, in line with criteria from Science Based Targets initiative (SBTi). The absolute contraction approach method was used for the target-setting as no available sectoral decarbonization pathway is available for our sector.

In November 2021, we received validation from the SBTi for our goals:

- To reduce absolute Scope 1 and Scope 2 GHG emissions by 50% in 2030 from a 2019 base year.
- To reduce absolute Scope 3 GHG emissions from use of sold products by 50% over the same period.

These goals are well above the SBTi's minimum requirements, and in line with keeping global warming at a maximum of 1.5°C. This is consistent with the scientific assessments provided by the International Panel for Climate Change (IPCC) and in line with the Paris Climate Agreement.

Our estimated carbon footprint: Value-chain CO_2e emissions Percentage of total emissions (% CO_2e) 1)



1) This result is based on the CO_2e emissions value chain analysis performed in 2021 for base year 2019. In partnership with a third-party company, a hybrid approach, using a mix of screening and inventory of Scope 3 emissions, was performed. Despite being conducted in 2021, the result remains relevant, highlighting that a few Scope 3 categories contribute to the majority of our carbon footprint, and guiding our focus on reduction efforts.

2) The category is currently not separated into upstream and downstream.

Decarbonization levers

Our current defined decarbonization levers and key actions planned for each of the 2030 climate goals are presented in the table below. Next year, we will introduce additional decarbonization levers for company vehicles. Furthermore, all existing 2030 climate goals will be expanded with more decarbonization levers. Examples of these could include customer engagement and product design.

Read more about our actions in the Actions and Resources section. Our planned actions include new technologies as well as changes in the product and service portfolio. One example for own operations (Scope 1 and 2) is recycling of heat from residual heat treatment plants. For suppliers (Scope 3), developing fossil-free steel is an example of new technology. For use-phase-related emissions (Scope 3), we have an ambitious target to offer a full range of emissions-free* products by 2025 for underground and by 2030 for surface operations. Midlife services, including diesel-to-battery conversions, is one example of changes in our service portfolio.

	Operations 1) *On-site operations*	Transport 2)	Purchased goods and services 3)	Use of sold products 4)
Decarbonization levers and actions	**Energy-efficiency** Energy efficiency in buildings and processes **Use of Renewables** Own solar panels Purchase of renewable energy Purchase of fossil-free energy **Energy sector decarbonization** Electricity grid decarbonization Fuel decarbonization (increased renewable blend)	**Planning and optimization** Regionalization of distribution centers and consolidation of goods **Fuel and transport mode switch** Use more sea freight and less air freight Switch to renewable fuels **Energy sector decarbonization** Electricity grid decarbonization Fuel decarbonization (increased renewable blend)	**Suppliers' operations** Suppliers' CO_2e reduction engagement **Greener steels** Partnership with fossil-free steel mills **Other materials** Use of recycled material	**Electrification** Switch to electric products **Energy-efficiency** Energy efficiency improvements of products **Renewable energy switch** Switch to renewable fuels Switch to renewable electricity **Customer engagement and influence** Support of optimized machine performance **Energy sector decarbonization** Electricity grid decarbonization Fuel decarbonization (increased renewable blend)

1) Scope 1 and 2
2) Upstream and downstream transport (Scope 3, category 4 and 9)
3) Scope 3, category 1
4) Scope 3, category 11

* Emissions-free products do not emit exhaust gas or other pollution from the onboard source of power, also referred to as zero tailpipe emissions.

Investments and funding supporting our transition plan

We have issued green bonds to support the implementation of our transition plan. We are allocating funds to projects that directly contribute to our 2030 climate goals. In 2022 and 2023, we issued in total SEK 4 billion in green bonds to fund projects within eco-efficient/circular economy, energy efficiency and sustainable water and wastewater management. In 2024, we published a Sustainability-Linked Financing Framework including three climate-related key performance indicators (KPIs), that will enable sustainability-linked financing. The ten-year USD 150 million sustainability-linked loan signed with the Nordic Investment Bank (NIB), is one example of a sustainability-linked loan in 2024. The increased financing incentive to improve our climate-related KPIs will support the implementation of the transition plan.

Our eligible share of operational expenditure (OpEx) and capital expenditure (CapEx) for climate change mitigation (CCM), part of the EU taxonomy disclosures, represent investment and funding supporting our transition plan. However, these KPIs do not provide our complete picture of the funding and investment as certain activities, such as aftermarket and energy-efficiency measures in diesel-driven equipment, are not covered in the EU Taxonomy list of activities. Our KPIs for the EU Taxonomy are presented on pages 110-113. Going forward, additional significant OpEx and CapEx associated with our transition plan will be disclosed.

Locked-in GHG emissions

Locked-in GHG emissions occur when fossil fuel-based infrastructure or assets - whether new or existing - remain in use, even though emissions-free* alternatives are available. This prolongs reliance on high-emissions systems, delaying the phase-out of fossil fuels. Locked-in emissions within our own operations would trigger the transition risk of not achieving the CO_2e emissions reduction in line with our 2030 climate goals. Read more about our climate-related risks and opportunities in the section Climate change impacts, risks and opportunities.

More than 80% of our value chain CO_2e emissions occur when our customers use our products (Scope 3). Although most of our machines are equipped with combustion engines, we are actively working to enable the use of renewable fuels and provide battery conversions to facilitate the transition to equipment with less or no tailpipe emissions.

The lifespan of mining equipment can vary significantly depending on the type of equipment, its usage, and the maintenance practices in place. Generally, the limited life expectancy, which does not extend beyond 2050, will enable a transition to equipment with zero tailpipe emissions to achieve net-zero operations in the future.

We do not consider Scope 1 and 2 CO_2e emissions as locked-in, as we can directly influence our own operations. We have and will continue to implement actions to reduce these emissions, ensuring they do not jeopardize the achievement of our 2030 goals. Our achieved emission reduction in our on-site operations demonstrates our success in monitoring and managing emissions from our key assets.

Alignment with overall business strategy

Leadership in electrification, automation and digitalization is a key part of our business strategy. Our customers' decarbonization journey includes transitioning from fossil fuels to electrified products, renewable fuels and increased energy efficiency in operations. We offer a range of solutions that can significantly reduce our customers' CO_2e emissions. Read more about these on page 41.

While fossil-fuel dependency is likely to continue in our customers' industries for some time, demand for solutions with lower emissions is expected to rise over time as our customers adopt electrification technology and as the offering of equipment with lower emissions and zero tailpipe emissions grows. Epiroc will continue to invest significantly in R&D, acquisitions and partnerships to safeguard our position and support customers' emission reduction efforts. We are engaging with customers on their evolving needs, and regularly assessing our strategy to stay aligned with market trends. This will strengthen customer relationships through alignment with their decarbonization goals, diversify revenue streams, and is expected to contribute to increased revenue growth going forward.

Climate-related risks and opportunities are integrated into, and are a central component of, the business strategy. We remain committed to help our customers on their transformation journey.

Our climate targets, validated by the SBTi, demonstrate Epiroc's business ambition to limit the global temperature rise to 1.5°C above pre-industrial levels. Ownership of results lies with the divisions and progress on achievement is reported to Group Management and the Board.

Coal exposure

Epiroc is included in the EU Paris-aligned Benchmarks. Epiroc's exposure to coal was 1.9% of orders received during 2024. The product portfolio is designed for hard-rock excavation, and Epiroc neither has nor is developing any equipment exclusively dedicated to coal extraction, even though some of the drill rigs and bucket attachments can be used in coal applications. In 2020, Epiroc decided to no longer develop products or solutions exclusively dedicated to coal extraction.

Climate change impacts, risks and opportunities

With reference to

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

We used insight from our value chain carbon footprint analysis, performed in 2021, as input to the double-materiality analysis to assess material climate-related impacts.

Climate-related risks, such as physical risks for own operations or in relation to suppliers, or transition risks connected to products, are assessed at the divisional level and, if deemed relevant, are included in the annual Enterprise Risk Management process. An aggregated analysis of the identified risks is presented to Group Management annually.

Read more about the risk management process on pages 68-73.

In 2021, a qualitative scenario assessment for physical and transition climate-related risks and opportunities, was performed, including physical risk mapping across the value chain. Read more under Climate change resilience analysis in ESRS 2. Insights from this analysis were used as input to the double-materiality assessment.

Material impacts, risks and opportunities	Description
CO_2e emissions from own operations (Scope 1 and 2) Actual negative impact Own operations Short-term, Medium-term, Long-term	CO_2e emissions from our operations, mainly from our production facilities and company vehicles, contribute to global warming. Although these emissions represent less than 1% of our total value chain carbon footprint, reducing them is important as only we can address them directly. This is why we have implemented initiatives such as an ongoing renewable energy program and energy efficiency activities. Prioritizing access to renewable energy is an important consideration when selecting operational locations. A challenge is the unavailability of renewable electricity in certain geographies, which affects our ability to meet our goals. We address this through initiatives such as increased energy efficiency in our processes and solar panel installations. This is also a way for us to contribute to the increasing need for renewable electricity.
CO_2e emissions from purchased goods and services (Scope 3) Actual negative impact Upstream Short-term, Medium-term, Long-term	CO_2e emissions from the extraction of raw material and production related to the components we purchase for our operations represent approximately 11% of our total value chain carbon footprint. We have identified the relatively few suppliers that account for the majority of the emissions. The top emitting categories are raw material, weldments, hydraulics and powertrains. We gather input from our suppliers about their plans to achieve CO_2e emissions reductions and Paris Agreement goals. Preference is given to those engaged in the SBTi. Partnerships and collaborations with suppliers are also important to us. Our partnership with SSAB on fossil-free steel and recycled steel is one example of how we are reducing the carbon footprint from produced steel.
CO_2e emissions from up- and downstream transportation and business travel (Scope 3) Actual negative impact Upstream, Downstream Short-term, Medium-term, Long-term	Approximately 2% of our total value chain carbon footprint comes from the transportation of materials and components to our facilities, and the delivery of finished products to customers. In addition, CO_2e emissions from business travel represent approximately 0.6% of the total value chain carbon footprint. We focus our efforts on transportation of materials, components and finished products. These transports include third-party transportation of goods throughout our supply chain, from first tier supplier to end customer, including materials for manufacturing, components for assembly, finished products and spare parts. Transport by air, sea, train and road is included. Examples of how we have reduced these CO_2e emissions include establishment of regional distribution centers and an ongoing shift from air to sea freight. We expect freight companies to transition to lower-emission options and rely on their continued progress.

Material impacts, risks and opportunities	Description

CO_2e emissions in customer operations

CO_2e emissions from the use phase of Epiroc's sold products (Scope 3)		
Actual negative impact		
		Downstream
Short-term	Medium-term	Long-term

Emissions-free* and energy-efficient products can enable decarbonization and healthier workplaces		
Actual positive impact		
		Downstream
Short-term	Medium-term	Long-term

Failure to innovate emissions-free* and energy-efficient solutions can risk market share loss		
Transition risk		
	Own operations	Downstream
	Medium-term	Long-term

Customers' CO_2e reduction ambitions can drive demand for products that are emissions-free* and energy-efficient, and have lower embodied emissions		
Opportunity		
	Own operations	Downstream
Short-term	Medium-term	Long-term

Customer caution in investing in electrification technology can reduce demand for battery/electric products		
Transition risk		
		Downstream
Short-term	Medium-term	Long-term

The majority of our CO_2e emissions occur in the use phase of our sold products. This includes total expected lifetime emissions of sold products at our customers' operation sites from all relevant products sold in the reporting year. We are contributing to these CO_2e emissions by selling the products to the customers, but we are also enabling reduction of these emissions through our product offering and by engaging with customers.

Our customers' goals for CO_2e emission reduction and healthier workplaces are expected to drive demand for our emissions-free* as well as our energy-efficient products and connected solutions, especially in regions with stringent regulations. Epiroc continues to invest significantly in R&D, acquisitions, and partnerships to support customers' CO_2e emission reduction efforts. This will differentiate us in the market, strengthen customer relationships through alignment with their decarbonization goals, diversify revenue streams and increase revenue growth.

Emissions-free* products reduce the negative impact on customers' employees' health by protecting them from fumes, noise, and heat, especially in underground operations (read more in ESRS S2). They also reduce the energy need for ventilation, a major cost for underground mines.

Failing to develop, launch and market new products or respond to technological development and customer demand for these products could lead to loss of market share. If this risk materializes, it will impact our competitive positioning and result in lower revenue and profitability. Proactive measures can mitigate these effects.

There is a risk that some customers' ambitions may not be realized into action or not at the pace expected, which could result in our products not being prioritized in their actual CO_2e emission reduction efforts. Financial implications include potential revenue loss from slower adoption, and increased customer support costs. One example of this is customer caution in investing in electrification technology. Delays and interpretation uncertainties in regulations from governmental bodies, investments needed in electric infrastructure, and limited access to renewable electricity could hinder customers' willingness to invest.

While access to renewable electricity and fuels is currently a challenge for customers in some countries, we expect this to become less challenging over the long term. We collaborate with customers to understand and support their infrastructure needs, including providing training to share knowledge and best practices. We develop tailor-made solutions for customers facing electricity supply challenges, particularly for their electric infrastructure and optimizing energy management for battery electric vehicles.

In the long-term, customers' ambitious CO_2e reduction targets will likely expand their focus to Scope 3 on their path to reaching net-zero. This will increase the demand for capital equipment with lower embodied emissions. Embodied emissions are the total GHG emissions associated with various stages of a product's lifecycle excluding the operational use. Successful climate mitigation with product offerings of lower embodied emissions, can position Epiroc as a preferred supplier, driving market growth and new business opportunities. Our 2030 climate target to halve CO_2e emissions from relevant suppliers and the transition plan for achieving this are contributing to lowering the embodied emissions in our products.

** Emissions-free products do not emit exhaust gas or other pollution from the onboard source of power, also referred to as zero tailpipe emissions.*

Transition to a low-carbon economy can increase demand for key minerals		
Opportunity		
		Downstream
Short-term	Medium-term	Long-term

The transition to a low-carbon economy requires sustainable infrastructure and electrification, which in turn drives the demand for minerals like copper, zinc, and nickel, which are essential for electrification technologies. Our customers in the mining industry play a vital role in supplying these metals and minerals, and our products and services help extract them. By capitalizing on this transition, there is a potential for higher sales volumes.

Material impacts, risks and opportunities	Description
Increased energy prices as a result of geopolitical events can affect Epiroc's profitability Risk Upstream / Own operations / Downstream Short-term / Medium-term / Long-term	Geopolitical events can disrupt energy supplies and international trade. Increased energy prices, as a result of geopolitical events, would have an impact across operations and the value chain, affecting energy-intensive assets, fossil fuel inputs, and electricity prices. This would result in higher costs for transportation, materials, components, and our own production and service operations. Within our Equipment & Service segment, the main risk is material and component prices impacted by higher energy prices. The Tools & Attachments segment, with a more energy-intensive production, faces the risk of increased production cost due to energy price increases. Both segments are exposed to the risk of higher costs for transportation. We are investing in renewable energy, from the grid and on-site, and energy efficiency to reduce fossil fuel reliance. The actual and potential availability of renewable energy and energy cost levels are considered when choosing locations for new production sites.
Failure to achieve 2030 climate goals can harm Epiroc's reputation Transition risk Upstream / Own operations / Downstream Medium-term / Long-term	In 2020, we set ambitious long-term climate goals to halve emissions from operations, transport, products sold and suppliers in 2030 compared with the 2019 base year. Failing to achieve these goals can harm Epiroc's reputation and negatively impact investors' and other stakeholders' view of us as a company. To address this risk, we continue taking actions, tracking our progress, and maintaining transparent reporting to stakeholders. If this risk materializes, it will necessitate a strategic realignment, with a heightened prioritization of our emission reduction efforts.

Policies for climate change mitigation

With reference to

E1-2 Policies related to climate change mitigation and adaptation

Epiroc's **Sustainability Policy** outlines our role in society and our commitment to contributing to the sustainable development of society, considering both people and the planet. It states that we:

- Support and are committed to helping accelerate the implementation of the Paris Agreement and the UN Sustainable Development Goals,
- Develop products and services to meet sustainability requirements,
- Use a lifecycle approach to minimize environmental impacts, including climate impact, that our products and services may have when developed, distributed and used, as well as during end-of-life treatment,
- Reduce our climate-related impacts by continuously developing our processes, including collaborating with our stakeholders to find solutions for global sustainability challenges,
- Ensure the safety and well-being of everyone who works with and for us, and
- Ensure that we manage our business and sustainability agenda in a legal, efficient and effective way and that we are certified according to ISO 14001.

The policy defines how we should approach multiple sustainability matters, covering all material topics either directly or by referring to our Code of Conduct and Business Partner Code of Conduct (see ESRS S2 and G1). It guides us in reducing our climate-related impacts both in our own operations and throughout our value chain. By doing so, we indirectly address the risk of not meeting our 2030 climate goals. This policy addresses our climate-related transition risks related to product and solution offering to customers.

The policy applies to all employees within the Epiroc Group and governs our work in our whole value chain. It is implemented throughout the whole organization. Operational responsibility of each divisional President, General Manager and Managers in the Group includes all sustainability aspects as well as communication and implementation of the policy and its spirit. They are responsible for ensuring adherence to the policy in planning processes, strategy, training, targets and performance.

It is reviewed regularly by VP Sustainability and Head of Group SHEQ, and approved by the President and CEO. It is available for all internal stakeholders in the Epiroc Way, referred to in sustainability training, and a poster of it is displayed in each Epiroc facility. External stakeholders can access the policy on our website, www.epirocgroup.com/en/sustainability.

Epiroc Environmental Principles describe how we should act in relation to environmental material topics. They include principles to actively work to reduce our climate-related impacts by implementing strategies and activities to reduce CO_2e emissions from products, operations, suppliers and transport to reach our 2030 sustainability goals. The material risk of not achieving our 2030 climate goals is clearly addressed.

The principles address our climate-related transition risks related to product and solution offerings to customers, stating that new products and technologies are developed and introduced to minimize climate-related impacts, among other environmental impacts. The principles state that we actively choose materials and suppliers that contribute to minimum climate change and that we convert to renewable energy in our own operations.

As an ISO 14001 certified company, we have defined our Environmental Principles based on the ISO standard as well as other internal and external requirements.

The principles apply to all employees and govern all our work, regardless of location or position within our value chain. Operational responsibility of each divisional President, General Manager and Managers in the Group includes all aspects of the principles, as well as their communication and implementation. The principles are reviewed regularly by Head of Group SHEQ and approved by SHEQ Council. They are available for all internal stakeholders in the Epiroc Way.

Epiroc's **Business Partner Code of Conduct** (read more in ESRS S2) covers climate-related impacts from business partners. It specifies that our business partners must strive to choose fossil-free energy sources for their facilities and, if a business partner is particularly requested by Epiroc, have a plan in place for reducing their CO_2e emissions. They must control and implement actions to reduce CO_2e emissions to air, if relevant. Our business partners shall confirm their commitment to the development and promotion of environmentally friendly technologies in products, processes and design.

Our **Responsible Use of Resources Policy** (read more in ESRS E5) ensures that products and materials utilized by Epiroc are considered valuable resources and remain in the ecosystem at their highest possible resource value. It states that it is crucial that circularity and waste prevention are considered throughout the lifecycle of a product. Responsible use of resources also indirectly results in climate-related impacts.

Our **CO_2e Emissions Reduction Hierarchy** presents the principles of prioritization when taking CO_2e emissions reduction measures. The objective of the policy is to support employees in establishing efficient plans for emission reduction activities and help them understand what actions to prioritize in reducing CO_2e emissions from our operations. The highest priority is placed on avoidance, with reduction and replacement next in the order of priority. The policy also states what measures are not permitted since they are not approved by the Greenhouse Gas Protocol. This policy addresses our climate-related impacts as well as our risk of not achieving our 2030 climate goals. The policy covers reduction activities in our full value chain and General Managers and Process owners are responsible for applying the reduction hierarchy. It is reviewed regularly by VP Sustainability and is available for all internal stakeholders in the Epiroc Way.

Actions and resources

With reference to

E1-3 Actions and resources in relation to climate change policies

Our decarbonization levers and key actions planned are presented on page 90.

CO_2e emissions from operations (Scope 1 and 2)

Our energy-efficiency program, launched in 2019, continued in 2024. This program involves investments in renewable energy as well as in energy efficiency. A challenge is the unavailability of electricity grids providing renewable electricity in certain geographies, which influences our ability to meet our goals. We meet this challenge by, e.g., installing solar panels. This is also a way for us to contribute to the increasing need for renewable electricity. Our first solar panels were installed in India in 2019, followed by facilities in Australia, China, South Africa, Sweden and USA. In 2024, 15% of our production facilities had solar panels installed.

By installing our own solar panels and improving energy efficiency to reduce energy reliance, we mitigate the impact of possible rising energy prices due to geopolitical events. The actual and potential availability of renewable energy and energy cost levels are considered when choosing locations for new production sites.

We have a process to evaluate whether we have reached our goal of at least 95% coverage of our Scope 1 and 2 emissions. However, for 2024, this coverage was not reached. We will continue to expand the scope next year to achieve 100%. Read more in section Greenhouse accounting methodology.

For comparable units, excluding the new reporting units in 2024, CO_2e emissions from on-site energy consumption decreased by 17% compared with the previous year due to lower production volumes than planned, shifts to renewable energy, energy efficiency initiatives, and increased own production of solar power. Energy initiatives completed in 2024 will generate additional CO_2e reductions in coming years. However, by including the new reporting units in 2024, CO_2e emissions from on-site energy consumption have increased by 13% (8), mainly explained by acquisition of new companies. All major acquired companies will be included in our energy-efficiency program and activities will be put in place to ensure we will reach our long-term targets.

CO_2e emissions from company vehicles were 18 ktonnes, with the largest share occurring in service operations. For 2024, the focus has been to establish the base year emissions, measure the current year's outcome and establish a reduction plan to meet our 2030 goal.

CO_2e emissions for purchased goods and services (Scope 3)

Since 2022, we have measured CO_2e emissions from purchased goods and services, and our top emitter categories and suppliers have thereafter been identified. 2024 is the first year we report this externally. The CO_2e emissions for purchased goods and services for 2024 were 770 ktonnes, showing a decrease compared with the previous year mainly explained by lower purchased spend, including price reductions. Read more about our calculation methodology and scope of data in the Greenhouse accounting methodology section.

During the year, our sourcing organization was strengthened with additional resources for the integration of sustainability into sourcing processes. We actively engage with our suppliers to reduce their CO_2e emissions. Activities in our supplier engagement strategy, including achieving CO_2e reductions, have been defined based on a supplier sustainability maturity assessment. In 2024, we communicated the expectation for suppliers to commit to the Paris Agreement goals and actively work to reduce their emissions. We gather input from them on their plans to achieve these reductions and monitor whether they have aligned with the Paris Agreement goals. Preference is given to those engaged in the SBTi, showcasing their dedication to sustainability.

Partnerships with suppliers are important for us and our customers to reach our climate goals. One example is the partnership with SSAB where we have collaborated on using fossil-free steel in the production of Epiroc's mining equipment as well as exploring the possibilities of using fossil-free steel when manufacturing spare parts and components with additive technology. Another initiative is the SSAB Zero™ which is based on recycled steel and produced using fossil-free energy sources and logistics solutions. In 2023, we signed a delivery agreement for SSAB Zero™, and in 2024, we introduced it in the production of our mine trucks and loaders in Sweden.

CO_2e emissions from transport (Scope 3)

We work broadly to reduce CO_2e emissions from upstream and downstream transportation. CO_2e emissions in vehicles owned or controlled by the Epiroc Group are included in Scope 1 and 2. One example is the use of more sea freight and less air freight, which has led to a substantial reduction of CO_2e emissions during several years. We have also established regional distribution centers, reduced freight, and improved the availability of parts and consumables, reducing the need for transportation. We have made good progress in reducing CO_2e emissions over the past years, but reaching our reduction target also depends on the transport sector's own transition.

In 2024, the reporting scope expanded to include major emitting customer centers, which explains the majority of the increase in CO_2e emissions. For comparable units, excluding new reporting units and customer centers in 2024, the CO_2e emissions increased by 9%. The increase is mainly due to global logistic constraints, including geopolitical tensions, conflicts, and strikes, which caused route diversions and increased transport lead times in ocean freight, necessitating the use of more airfreight.

CO_2e emissions from use of sold products (Scope 3)

The majority of our CO_2e emissions occur in the use phase of our sold products, and here we can make the largest impact. We have a clear ambition to help our customers by providing multiple solutions, such as automation, electrification and service, to support them in their efforts to achieve their CO_2e emissions reduction targets, see illustration on page 41.

In 2024, the CO_2e emissions from the use of our products increased by 1% compared with 2023. Adjusting the 2023 result with the updated emission factors in 2024 and the previously omitted products, the CO_2e emissions would be reduced by 6%. This reduction is explained by changes in sales volumes, changed product mix with increased sales of electrified products and impact from energy efficiency programs. However, the potential impact of reducing emissions from customers using HVO renewable diesel has not been taken into account. HVO (Hydrotreated Vegetable Oil) is a renewable diesel fuel made from waste fats and oils. It offers a cleaner alternative to traditional diesel, reducing GHG emissions throughout its lifecycle.

Fossil-fuel dependency is likely to continue in our sector for some time, but a shift to renewable fuels and electrified operations is expected in the coming years along with customers' decarbonization journey. One of our long-term goals is to offer a full range of emissions-free (see definition on page 93) products by 2025 for underground and by 2030 for surface operations. Our offering includes battery-electric underground drill rigs, loaders, and trucks. All our underground drill rigs are powered by electricity during drilling operations. For surface operations, our range of electric and energy-efficient drill rigs significantly reduces CO_2e emissions and fuel consumption. Today, 42% (42) of our product fleet is available as electrified solutions, and the demand is expected to increase in the years to come. Battery technology and cable-connected equipment are two important solutions that enable zero-emissions operations, provided renewable energy is available for charging. For more information on electrification, see pages 28-31.

Through partnerships we can accelerate the transformation and reach a steep curve in mining technology innovation. Our partnership with Boliden and ABB led to successful deployment of the first fully battery-electric trolley truck system in Sweden on an 800-meter-long underground mine test, with a 13% incline. Boliden intends to implement a full scale, autonomous electric-trolley system in the Rävliden mine, and has placed an order for four Minetruck Trolley trucks (MT42 SG) from Epiroc. Once achieved, a result will be significant carbon emissions reductions compared with a mine using conventional technology, and it will be part of setting a standard for new mines. A Minetruck Trolley truck (MT42 SG), compared with a diesel propelled truck, reduces the CO_2e significantly given that no fossil fuel is used during operation. Additionally, this truck significantly reduces the need for ventilation at a mine site compared with diesel versions. A case study comparing the operation of three MT42 S trucks with MT42 SG Trolley trucks showed that the diesel trucks required five times more ventilation than the trolley trucks.

Not all energy and CO_2e emissions reduction improvements involve electrification. One way is to enable the use of renewable fuels in existing machines. Selected Epiroc surface drill rigs produced from 2023, along with underground drill rigs, mine trucks and loaders produced from 2022, have been verified to be compatible with HVO renewable diesel, and/or available as electric versions. These advancements significantly reduce particulates and other harmful substances, including greenhouse gases. We have started to deliver machines filled up with HVO renewable diesel to encourage customers to transition from diesel to HVO renewable diesel.

Another example of lowering CO_2e emissions from our products includes energy efficiency improvements, such as more efficient engines and electric drivetrains. For example, the new Minetruck MT66 S eDrive is the first of Epiroc's large capacity mine trucks to feature the latest generation electric drivetrain and holds several other upgrades, such as weight reduction, increased speed and payload as well as better utilization of the engine. While the Minetruck MT66 S eDrive enables increased productivity compared with other high-capacity mine trucks, it also reduces fuel consumption by up to 7% compared with previous models.

Another way to reduce emissions includes automation, which is a driver for improving energy efficiency while at the same time lowering the cost of ownership and increasing productivity and safety.

Metrics and targets

With reference to

E1-4 Targets related to climate change mitigation and adaptation
E1-5 Energy consumption and mix
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions
E1-7 GHG removals and GHG mitigation projects financed through carbon credits
E1-8 Internal carbon pricing

Absolute GHG emission reduction targets

Our 2030 climate goals include four absolute reduction targets against the base year 2019. We also have yearly targets established to efficiently measure and follow up on milestones needed to reach our 2030 goals. The decarbonization levers to achieve the GHG emission reduction targets are presented on page 90.

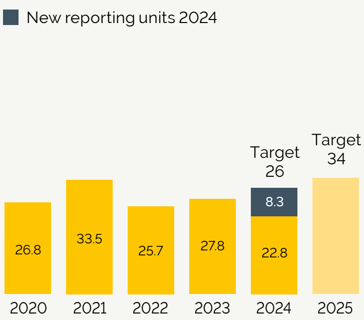
The base year 2019 was selected in the process of submitting our targets to SBTi, where the most recent completed past calendar year was selected. The base year (2019) is restated to ensure meaningful comparisons of CO_2e emissions data over time. No restatements are performed for other historical data. Read more about our restatement process in section Greenhouse accounting methodology.

This year, the 2019 base year restatements for all scopes 1, 2 and 3 were related to acquisitions. Additionally, Scope 3 Upstream and downstream transportation and distribution, was restated due to the addition of 25 customer centers in the reporting scope 2024. Scope 3 Use of sold products was restated with previously omitted products, new more accurate data, as well as updated emission factors covering the full lifecycle for electricity, replacing the direct combustion factors used in the past years. We are in the process of collecting more accurate data on products' useful lives which may result in restatements of base year data going forward.

E1-4 Target scope	GHG Category	Base year (BY)	BY emissions ($ktCO_2e$)	2030 goal vs. BY	2024 target vs. BY	2024 emissions [3] ($ktCO_2e$)	2024 vs. BY	2025 target ($ktCO_2e$)	2030 goal ($ktCO_2e$)	2030 goal completion (vs. BY)
Operations [1] Scope 1 & 2 Market-based	On-site	2019	70	-50%	-63%	31	-56%	34	35	100%
	Company vehicles	2019	22	-50%	-	18	-18%	19	11	36%
	Total	**2019**	**92**	**-50%**	**-**	**49**	**-47%**	**53**	**46**	**93%**
Transport Scope 3	Category 4 & 9	2019	160	-50%	-28%	121	-24%	134	80	49%
Machines sold [1] Scope 3	Category 11	2019	6 304	-50%	0%	5 709	-9%	5 736	3 152	19%
Purchased goods and services [2] Scope 3	Category 1	2019	694	-50%	30%	770	11%	799	347	0%

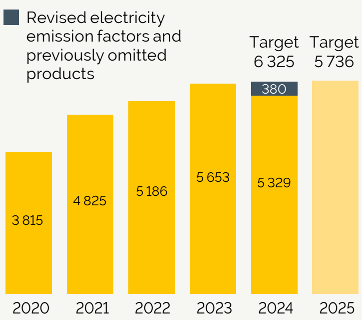
[1] Validated by Science Based Target initiative (SBTi).
[2] 2030 climate goal: Require 50% reduction of CO_2e emissions from relevant suppliers. 2024 is the first year that category 1 has been reported.
[3] The explanation for the outcome 2024 against 2024 target is explained in illustrations below.

CO_2e emissions from operations (on-site) (ktonnes)



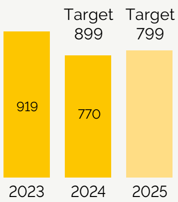
The 2024 target was 26.0 ktonnes CO_2e and the result for comparable units was 22.8 ktonnes CO_2e. This lower result against the target is explained by lower production volumes than expected and several energy initiatives.

CO_2e emissions from use of sold products (ktonnes)



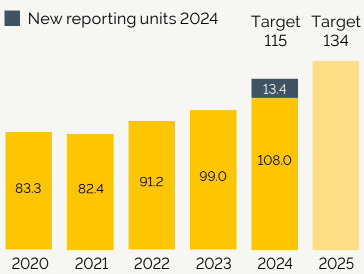
The 2024 target was 6 325 ktonnes CO_2e and the result was 5 709 ktonnes CO_2e. The lower result against the target is explained by changes in sales volumes, changed product mix with increased sales of electrified products and impact from energy efficiency programs.

CO_2e emissions from purchased goods and services (ktonnes)



The 2024 target was 899 ktonnes CO_2e and the result was 770 ktonnes CO_2e. The lower result against the target is explained by lower purchased spend than expected.

CO_2e emissions from transport (ktonnes)



The 2024 target was 115 ktonnes CO_2e and the result for units included in the target was 120 ktonnes CO_2e. The increase is explained by global logistic constraints, including geopolitical tensions, conflicts, and strikes, which caused route diversions and increased transport lead times in ocean freight, necessitating the use of more airfreight.

Other targets related to climate change mitigation

E1-4 Target	Base year (BY)	Base year outcome (%)	2024 outcome [3] (%)	2024 target (%)	2025 target (%)	2030 goal (%)
Renewable energy in own operations, % [1]	2019	39	59	64	58	90
Offer a full range of emissions-free [2] products	2021	35	42	45	47	100

[1] Share of renewable sources incl. renewable of mix in total energy consumption. Limited to on-site energy consumption.
[2] Emissions-free products include solutions that do not emit exhaust gas or other pollutions from the onboard source of power, also referred to as zero tailpipe emissions.
[3] The target to offer a full range of emissions-free [2] products was 45% and the result was 42% due to delayed market release of planned products.

Target monitoring process

Progress on 2030 sustainability goals and short-term one-year targets are reported quarterly to Group Management and the Board. Divisions set targets and are responsible for the results. Twice a year, roadmaps with activities, progress and way forward, are reported by councils to Group Management and discussed in detail. Read more under Sustainability governance and strategy in ESRS 2.

Energy consumption and mix

E1-5 (GWh)	2024 [1]	2023
Fuel consumption from coal and coal products	-	-
Fuel consumption from crude oil and petroleum products	84	17
Fuel consumption from natural gas	47	35
Fuel consumption from other fossil sources	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	40	34
A. Total fossil energy consumption	**172**	**86**
Share of fossil sources in total energy consumption (%)	**59**	**43**
B. Consumption from nuclear sources	**1**	**0**
Share of consumption from nuclear sources in total energy consumption (%)	**0**	**0**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	3	3
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	110	105
The consumption of self-generated non-fuel renewable energy	5	4
C. Total renewable energy consumption	**118**	**112**
Share of renewable sources in total energy consumption (%)	**41**	**57**
Share of renewable sources incl. renewable of mix in total energy consumption (%) [2] [3]	**44**	**61**
Total energy consumption (A+B+C)	**291**	**198**

[1] Energy consumption increased in 2024 mainly due to the addition of company vehicles in the reporting.
[2] Renewable of mix does not have any certificate or similar statement from the energy provider that assures only renewable energy sources are used for the electricity or district heating provided according to the contract.
[3] Our 2030 target of reaching 90% renewable energy in own operations includes on-site energy consumption only.

Energy intensity

E1-5	2024	2023
Total energy consumption per net revenue (MWh/MSEK [1])	**4.59** [2]	**3.27**

[1] Net revenue is total revenues presented in the Consolidated income statement.
[2] Energy consumption increased in 2024 due to the addition of company vehicles in the reporting scope.

GHG emissions

E1-6	Retrospective				Milestones and target years		
($ktCO_2e$)	Base year (2019)	2024	2023	% Yearly Change	2025	2030	2025 target / Base year (%)
SCOPE 1 GHG EMISSIONS							
On-site	17	12	10	14	15	9	-12
Company vehicles	22	18[1]	-	-	19	11	-14
Gross Scope 1 GHG emissions	**39**	**30**	**10**	**-**	**34**	**20**	**-13**
SCOPE 2 GHG EMISSIONS							
On-site	53	20	17	18	19	27	-64
Company vehicles	-	- [1]	-	-	-	-	-
Gross Scope 2 GHG emissions (Location-based)	**58**	**36**	**32**	**13**	**-**	**-**	**-**
Gross Scope 2 GHG emissions (Market-based)	**53**	**20**	**17**	**18**	**19**	**27**	**-64**
SIGNIFICANT SCOPE 3 GHG EMISSIONS							
Purchased goods and services	694	770	919	-16	799	347	15
Upstream and downstream transportation and distribution	160[2]	121[2]	99	22[2]	134	80	-16
Use of sold products	6 304[3]	5 709[3]	5 653[4]	1	5 736	3 152	-9
Gross Scope 3 GHG emissions – (significant categories)	**7 158**	**6 600**	**6 672**	**-1**	**6 669**	**3 579**	**-7**
Total GHG emissions (location-based)	**7 255**	**6 666**	**6 714**	**-1**	**-**	**-**	**-**
Total GHG emissions (market-based)	**7 250**	**6 650**	**6 699**	**-1**	**6 722**	**3 625**	**-7**

1) The scope Company vehicles was added to the reporting in 2024 and restated in the base year.
2) Major emitting customer centers were added to the reporting in 2024 and restated in the base year.
3) The 2024 data incorporates lifecycle emission factors from the International Energy Agency (IEA) (in the past only direct combustion) and a couple of previously omitted products have been added. The base year figures have been updated accordingly.
4) Reflecting the update of electricity emission factors applied in 2024 and the addition of products omitted, the 2023 outcome would have been approximately 7% higher. If a restatement would have been done, this would have implied a reduction in the CO_2e emissions between 2023 and 2024.

Outside of scopes

E1-6 ($ktCO_2e$)	2024	2023
Biogenic emissions of CO_2 from the combustion of biomass (Scope 1)	1	1
Biogenic emissions of CO_2 from the combustion of biomass (Scope 3)	3	6

GHG intensity

E1-6	2024	2023
Total GHG emissions per net revenue (location-based) (tCO_2e /net revenue [1])	0.10	0.11
Total GHG emissions per net revenue (market-based) (tCO_2e /net revenue [1])	0.10	0.11

1) Net revenue is total revenues presented in the Consolidated income statement.

Greenhouse accounting methodology

Greenhouse gas emission reporting is carried out in accordance with the GHG Protocol (www.ghgprotocol.org). CO_2e emissions include the main greenhouse gases carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

Reporting unit

In tables, the unit "ktCO_2e" (kilotonnes of carbon dioxide equivalent) is presented. Carbon dioxide equivalent, CO_2e, is a unit that standardizes the climate effects of various greenhouse gases.

Scope 1 and 2

A process is in place to evaluate whether we have reached our goal of 95% coverage of Scope 1 and 2 emissions. However, for 2024, this coverage was not reached. We will continue to expand the scope next year to reach 100%. The shortfall is explained by the previous exclusion of CO_2e emissions from company vehicles operating outside our facilities, as their impact was initially perceived as small. Adding the scope of company vehicles this year, revealed that this portion of CO_2e emissions represents a larger share than previously anticipated. Customer centers currently not included in the reporting scope are also estimated to have a higher portion than expected.

Scope 1

The calculation of CO_2e emissions from direct energy, i.e., energy generated by the company for its own production or operation, comprises all fuels used on the sites, including diesel, gasoline, coal, propane, natural gas, methanol, HVO renewable diesel, biogas and bioethanol. All production sites, distribution centers and major emitting customers centers are included.

Standardized emission factors and conversion factors published by DEFRA (UK) are used to calculate CO_2e emissions for direct energy.

Scope 2

The calculation of CO_2e emissions of indirect energy, i.e., energy purchased externally by the company, includes electricity, district heating and cooling used at the sites. All production sites, distribution centers and major emitting customers centers are included.

Market-based method

A market-based method reflects emissions from indirect energy (electricity and district heating) that an organization has purposefully chosen (or its lack of choice). Standardized country factors published by the International Energy Agency (IEA) are used to calculate CO_2e emissions for indirect energy when factors have not been provided by a supplier. An emission factor of zero has been used for renewable energy connected with an energy attribute certificate (EAC).

Location-based method

A location-based method reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data. Standardized country factors published by International Energy Agency (IEA) are used to calculate CO_2e emissions for all indirect energy.

Scope 3

Purchased goods and services (category 1)

The calculation of CO_2e emissions from purchased goods and services uses a spend-based methodology, where spend-based data is multiplied by emission factors from Exiobase and Environmental Protection Agency (EPA). Emission factors have not been adjusted for inflation. These emissions cover direct sourcing and account for approximately 70% of total purchased spend in direct sourcing. The current gap in completeness is mainly explained by data accessibility issues due to recent large acquisitions. The indirect sourcing would add approximately 21% emissions to this category had it been included. Indirect and direct souring are explained in ESRS S2. Due to the lower reliability and accuracy with spend-based calculation method, work is ongoing to move towards a hybrid methodology, using a mix of spend-based, weight-based and supplier-specific calculation methodology. Weight-based calculation methodology uses the actual weight of materials and components, while supplier-specific methodology uses precise data from suppliers. With future more accurate data, restatements of historical data may occur.

Transport (categories 4 & 9)

The calculation of CO_2e emissions of transportation includes upstream and downstream third-party transports throughout the supply chain from first tier supplier to end customer. Third-party transports include transports in vehicles not owned or controlled by the Epiroc Group. All production facilities, distribution centers and major emitting customer centers are included. WTW (Well-To-Wheel) CO_2e emissions from the forwarders are collected. If this data is not available, calculation of CO_2e emissions is performed using an internal calculation tool, applying a distance-based method. For biofuels, a fuel-based method has been mainly used. For transport CO_2e (categories 3.4 & 3.9), when CO_2e emissions are not provided by transport companies, emission factors from Network for Transport measures (NTM) are used (www.transportmeasures.org).

Use phase of sold products (category 11)

Unique operation cycles for each product are defined. CO_2e emissions from use phase are calculated based on diesel usage, electricity usage and life length. For diesel, emission factors from DEFRA (UK) are used, where diesel with average content of biodiesel is used. IEA national emission factors are used for CO_2e emissions from electricity use, where an average emission factor is used based on the countries where the products in each product family are sold. These IEA national emission factors have been expanded from previous direct combustion to also include upstream emissions from fuels and emissions from transmission and distribution losses, in order to reflect full life cycle emissions from electricity. In the reporting scope, all products carrying their own energy source on-board (diesel engine, electrical motor and compressor) are included. Products without their own energy source are excluded, such as drilling equipment with an external compressor and hydraulic attachments.

Outside of scopes

Outside of scopes includes biogenic CO_2 factors that are used to account for the direct carbon dioxide (CO_2) impact of burning biomass and biofuels. Standardized emission factors published by DEFRA (UK) are used to calculate outside of scope CO_2e emissions.

Recalculation of base year

Recalculation of base year (2019) emissions is performed for significant structural changes, improvements in calculation methodology or data accuracy. The base year 2019 was selected in the process of submitting our targets to SBTi, where the most recent completed past calendar year was selected. See recalculated base year emissions on pages 97 and 99. CO_2e emissions for 2020-2023 are not restated.

GHG removals and carbon credits

No GHG removals and GHG mitigation projects were financed through carbon credits in 2024.

Internal carbon pricing

In the end of 2024, we introduced an internal carbon price which will align with the objectives of our transition plan. An internal carbon price was not active in 2024 but will be implemented in 2025. This internal carbon price will guide Epiroc's decisions and investments towards lower carbon alternatives.

ESRS E2
Substances of concern and substances of very high concern (SOC and SVHC)

Section	Connected disclosure requirements	Page reference
SOC and SVHC impacts, risks, and opportunities	SBM-3	83-88, 101
Policies for SOC and SVHC	E2-1	101-102
Actions and resources	E2-2	102
Metrics and targets	E2-3, E2-5	102

SOC and SVHC impacts, risks and opportunities

With reference to

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The sub-topics assessed as material under Pollution are Substances of concern (SOC) and Substances of very high concern (SVHC). The equipment we provide for our customers must endure extreme conditions and prolonged use, where selective inclusion of certain SOC and SVHC ensures reliability and longevity. For Epiroc, lead is the most relevant example of a SOC and SVHC.

Material impacts, risks and opportunities **Description**

SOC and SVHC can be a risk to health and environment, and may hinder recycling or reuse		
Actual negative impact		
Upstream	Own operations	Downstream
Short-term	Medium-term	Long-term

Upstream and, in own operations, limited use of SOC and SVHC are incorporated into materials, parts and products to increase product performance and durability in the use phase. These substances can pose risks to human health and the environment. At the same time, removing the substances can reduce the lifespan of parts and materials leading to more waste and the need for more frequent repairs and servicing. Some SOC and SVHC hamper the recycling or reuse of products and materials, which is a cornerstone of the EU Green Deal and EU Circular Economy Action Plan (CEAP). Such substances are phased out in favor of safer alternatives when this does not negatively impact performance and durability.

SVHC presence may limit sales due to increasing legislation and pressure for removal		
Risk		
Upstream	Own operations	Downstream
Short-term	Medium-term	Long-term

The presence of SVHC may limit sales opportunities in certain markets as there are increasing requirements and pressure for the removal of such substances. Additionally, increasing regulations and administrative burden when harmful substances are present drive increased compliance costs and necessitate research into alternative solutions and redesign of products to replace SVHC. Limited availability of alternatives may increase costs, affecting long-term planning and investment.

Policies for pollution

With reference to

E2-1 Policies related to pollution

Epiroc's **Sustainability Policy** (read more in ESRS E1) articulates that our products and services are developed to meet sustainability requirements. We use a lifecycle perspective to address and minimize the negative environmental effects that our products and services may have when developed, distributed and used, as well as during end-of-life treatment. In practice, this means that consideration should be given to SOC and SVHC as they impact products' reusability and recyclability.

Our **Substance of Concern (SOC) Policy** and connected guidelines mandate that both suppliers and internal processes identify and actively phase out the use of SVHC in products, materials, and processes. The objective is to support employees in ensuring Epiroc products and processes meet legal and customer requirements, and that exposure to hazardous chemicals and materials is minimized. It clarifies expectations from Epiroc Group and is complemented by Epiroc's prohibited list and declarable list. The prohibited list includes substances that are regulated in, e.g., the Montreal and Kyoto protocols, other global conventions, RoHS, REACH Annex XVII etc. The declarable list covers substances that are to be declared and phased out, e.g. SVHC and PFAS.

The policy covers products sold by Epiroc, items delivered to Epiroc by any of our business partners and production processes carried out by or outsourced by Epiroc.

Divisional Presidents and General Managers are responsible for implementation of the policy and ensuring there are processes in place to ensure that products and processes are complying with the lists.

The policy is reviewed regularly and approved by Head of Group SHEQ, and is available to all internal stakeholders in our management system, the Epiroc Way. Epiroc's policy and lists of prohibited and declarable substances are published on Epiroc's website. Additionally, the lists are available as Epiroc standards, allowing suppliers to subscribe for information on updates. A Group-wide procedure further explains roles, responsibilities, tools etc.

Epiroc Environmental Principles (read more in ESRS E1) state that we conduct our operations in such a way that pollution to land, water and air is minimized to protect ecosystems and biodiversity. The principles state that we should actively phase out hazardous substances from our products and processes, and that SVHC in our products are identified and communicated to stakeholders.

Epiroc's policy for **Responsible Use of Natural Resources** (read more in ESRS E5) aims to ensure that products and materials utilized by Epiroc are considered a resource and remain in the ecosystem at the highest resource value possible. In practice, this involves considering the presence of SOC and SVHC, as these affect the reusability and recyclability of products and materials. The policy proposes a local metric to evaluate this by tracking whether the proportion of SVHC in products is decreasing.

By signing Epiroc's **Business Partner Code of Conduct** (read more in ESRS S2), suppliers confirm their compliance with Epiroc's prohibited list and declarable list. They agree not to use prohibited substances, to declare the content of any declarable substances, to follow updates of the lists, and alert Epiroc if any included substance poses a problem. The declarable list includes all SVHC, PFAS as well as the conflict minerals tin, tungsten, tantalum, gold and cobalt.

Actions and resources

With reference to

E2-2 Actions and resources related to pollution

Where possible, we replace harmful substances in our processes and products with safer alternatives, while ensuring that performance and durability are maintained. By doing so, we can reduce the negative health and environmental exposure and enable recycling and reuse of products and materials.

We actively identify and communicate the presence of hazardous substances in our products to stakeholders.

Resource inflow and outflow

For material inflow, suppliers are required to declare any content of SVHC. Items containing such substances are flagged in relevant business systems, and the data is used for reporting to suppliers and customers. SCIP (EU waste database Substances of Concern In articles as such or in complex objects (Products)) reporting is performed for all relevant products and parts sold into EU. All customers receive a REACH declaration on the content of SVHC in purchased products. Dedicated due-diligence programs for prioritized product categories are performed to ensure the process is effective. Our process to identify prioritized products is risk based, and in line with OECD guidelines.

Internal processes

Safety data sheets (SDS) for chemicals used internally are stored in a common database, where chemicals containing SVHC are flagged. Progress on phasing out such chemicals for safer alternatives, to minimize employees' exposure and environmental leakage of hazardous chemicals, is followed up in the SHEQ Council. The local procedures cover assessment and approval before purchasing new chemicals, as well as inventory and registration of chemicals handled within production. The application of these requirements is regularly assessed as part of legal compliance checks, safety rounds and chemical inventories. The presence of SVHC in chemicals used in own operations is very low (607 of 11 362 products). Calculations on volumes have not been carried out.

Metrics and targets

With reference to

E2-3 Targets related to pollution

E2-5 Substances of concern and substances of very high concern

We regularly compare information on performed SCIP registrations and products requiring such, to ensure we have fulfilled this obligation. Information on SCIP registrations is shared on our intranet. For substitution of hazardous chemicals in production, including products containing SVHC, we have tracked the number of such products used in operations and pushed for substitution to safer alternatives. We have not measured the actual quantities of these products, and we have not set any targets or metrics related to SOC and SVHC.

ESRS E3
Water

Section	Connected disclosure requirements	Page reference
Water impacts, risks, and opportunities	SBM-3	83-88, 103
Policies for water	E3-1	103-104
Actions and resources	E3-2	104
Metrics and targets	E3-3, E3-4	104

Water impacts, risks and opportunities

With reference to

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The global distribution of our suppliers, facilities, and customers brings diverse water-related considerations. Water withdrawal in water-stressed areas has been assessed as material upstream, in own operations, and downstream. All water-related physical climate risks are assessed in the climate scenario analysis, see ESRS 2.

Material impacts, risks and opportunities	Description
Inefficient water use in our value chain can strain local water resources Potential negative impact Upstream / Own operations / Downstream Short-term / Medium-term / Long-term	Limited local water resources can significantly impact communities by restricting access to clean water for drinking, agriculture, and other essential activities, and lead to degradation of local ecosystems. Suppliers, from upstream metal and mineral extraction as well as material processing and production, along with customers in mining and infrastructure, all heavily rely on water for various processes. These include drilling, blasting, dust suppression, ore processing, equipment cooling, and washing. Today, major mines reuse and recycle water in their operations. Our rock drilling equipment uses water and compressed air to flush the rock cuttings out of the drilled hole and for dust suppression. If water is scarce, it is possible to use only compressed air. Although the overall water withdrawal in our own operation is low and we frequently recirculate and reuse water, we have assessed it as material for entities operating in water-stressed areas due to our responsibility to manage it effectively and responsibly. Our manufacturing processes utilize water for cooling, cleaning, metal processing, testing and dust suppression. Equipment maintenance, including washing and coolant replacement, also requires water. Epiroc considers the water situation in both location decisions for new facilities and in product development.

Policies for water

With reference to

E3-1 Policies related to water and marine resources

The **Epiroc Business Partner Code of Conduct** (read more in ESRS S2) states that our business partners must conduct their business in a manner that protects and preserves the environment, giving attention to water use and wastewater treatment.

The **Epiroc Sustainability Policy** (read more in ESRS E1) emphasizes the need of a lifecycle perspective for our products and services to mitigate their negative environmental impact through their development, distribution, usage, and end-of-life treatment. Special focus is given to minimizing climate impact, responsible use of natural resources, minimizing use of water, preventing pollution, and protecting biodiversity and ecosystems. The policy also highlights our ISO 14001 certification.

In **Epiroc Environmental Principles** (read more in ESRS E1), we state that we minimize water usage from products and our operations.

Actions and resources

With reference to

E3-2 Actions and resources related to water and marine resources policies

Own operations

To mitigate the potential negative impact on local water resources, we are implementing water-saving technologies, recycling programs, and improved management practices across our operations. The water used in our manufacturing processes is mostly recirculated and reused before being discharged back to the sewerage system.

Major Epiroc companies shall be ISO 14001 certified. By the end of 2024, 82% of Epiroc total workforce was working in an ISO 14001 certified company. 18% is either working in companies not in the ISO 14001 certification scope, or in newly acquired companies.

To achieve and maintain ISO 14001 certification, it is essential to identify and act on significant environmental impacts. In Epiroc we have identified water withdrawal in water-stressed areas as material and entities in those areas shall develop water management plans to minimize the overall water withdrawal.

Downstream

We have started to map main customer sites or mines located in water scarce locations. Our Responsible Sales Assessment for customers (read more in ESRS S2 and S3) includes checks to determine whether the customer is ISO 14001 certified and whether water scarcity is an issue.

The main water consumption in **surface drilling** is for dust prevention. The majority of our customers use a water mist for this purpose which gives a relatively low water consumption. The hydraulic systems are cooled by air in surface drill rigs. When water is withdrawn for drilling, it is taken from close-by ponds, old boreholes etc., and recirculated to minimize the volume.

In **underground mining** related to Epiroc equipment, water is mainly used for drilling. It is used for flushing holes and cooling hydraulic oil via a water/oil heat exchanger. It is common to have a constant waterflow to cool the hydraulic system, making underground operations more water-intense than surface operations. There are different ways to reduce the amount of water needed for the equipment, such as use of compressed air with a water mist to bind dust particles for hole flushing during drilling or the use of an air fan-cooled heater exchanger eliminating the need for water. Water in underground mining or tunneling operations comes from natural water sources in the host rock. This water must be pumped out of the underground operations to maintain access to working areas. Today, major mines reuse and recycle water in their operations.

Metrics and targets

With reference to

E3-3 Targets related to water and marine resources
E3-4 Water consumption

Epiroc's KPIs related to water withdrawal are limited to our own operations. The total water withdrawal is monitored quarterly. We have a Group KPI for the efficiency of water withdrawal in water-stressed areas. We currently do not measure nor have any targets relating to our upstream or downstream value chain.

We have measured the water withdrawal from major entities in our own operations for several years but limited the disclosure to entities in water-stressed areas. Our water consumption is not material as we do not incorporate water into products, and most of the water withdrawn is discharged back to the sewerage system.

Our Environmental Principles include minimizing water usage. We conduct annual water risk mapping using data from a third-party risk analytics firm. Each year, we set a target to maintain low water withdrawal levels per cost of sales (COS) for companies located in high water risk areas. For 2024, the target was to remain below 3.30 m^3/COS, MSEK. The actual result was 3.37 m^3/COS, MSEK, due to lower COS than planned. The target scope includes 34 entities that were part of Epiroc as of January 2024 and are located in water-stressed areas. The absolute water withdrawal in comparable entities was reduced by 13 172 m^3 in 2024.

The total water withdrawal for entities included in water stressed areas in 2024 were 147 388 m^3 including newly acquired companies and comprises 47 entities. The total water withdrawal for entities included in the water target were 126 260 m^3.

Our total water withdrawal of 260 159 m^3 includes 79 entities and is measured regardless of water-stress level and target scope.

Water withdrawal in own operations

	Water withdrawal (m^3)
Total 2024	**260 159**
Not in water-stressed areas	111 676
Unspecified water area	1 095
Areas at water risk, including areas of high-water stress	147 388
Whereof areas in water risk	*33 212*
Whereof areas in high water stress	*114 175*

ESRS E5
Resource use and circular economy

Resource use and circular economy impacts, risks, and opportunities

With reference to

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Epiroc operations encompass both assembly and production. Our products are designed for safety, productivity and efficiency, as well as durability, recyclability, and easy disassembly to minimize use of natural resources and waste. We have for a long time had a strong focus on increasing products' efficiency and lifetime, by providing service and maintenance. 43% (45) of our revenues come from service. We offer circular business models and our service offerings are in line with the circularity principles. As our equipment is often performance-critical and used in harsh environments, the requirement of maintenance and consumption of spare parts are high.

Our machines and consumables are primarily made of steel, with additional components such as hydraulics, rubber, oil and diesel.

Access to critical raw materials, such as cobalt, tungsten, copper, tin and lithium, is important for several of our products. Additionally, several rare earth metals are used in our products, mostly in small amounts in electronic parts.

Material impacts, risks and opportunities | **Description**

Resource inflows

Epiroc relies on non-renewable natural resources as input to our products		
Actual negative impact		
Upstream	Own operations	
	Medium-term	Long-term

A circular approach can boost resource efficiency and reduce need for new components and materials		
Opportunity		
	Own operations	Downstream
Short-term	Medium-term	Long-term

Resource scarcity and rising material prices can increase costs		
Risk		
Upstream	Own operations	
	Medium-term	Long-term

Epiroc's dependence on steel and other non-renewable natural resources can contribute to resource depletion and environmental degradation. As some resources become scarcer in the future, we may face potential supply chain disruptions, increased operational costs, and production delays due to reduced availability or rising material prices.

These challenges also present an opportunity to further develop circularity in our design, production and services, optimizing resource use, reuse and repairing, and reducing the need for new parts and materials. Extending the circular approach and our circular offerings allows us to strengthen our market position and provide solutions with longer service life to customers. This also enhances profitability through improved resource efficiency and lower costs. Additionally, it creates new revenue streams, e.g., from remanufactured products.

To capitalize on this opportunity and mitigate risks, we are adapting our strategies to reduce reliance on primarily non-renewable resources. This includes sourcing sustainable alternatives, such as recycled steel, closed-loop cycles of scrap material from production from selected raw material suppliers, and remanufacturing of machines and components. Strategically, this will drive decisions towards more cost-effective sustainable sourcing and continuous improvement in resource efficiency.

On the other hand, the increased demand for metals like copper, lithium and nickel, crucial for a sustainable transformation, presents business opportunities for us since recycling is unable to provide the full global demand going forward. Read more on page 18.

Resource outflows

Not all products and components may be financially viable to service or repair		
Actual negative impact		
Upstream	Own operations	Downstream
	Medium-term	Long-term

Lifecycle design and circular services can extend machine life, boosting profits		
Opportunity		
Upstream	Own operations	Downstream
Short-term	Medium-term	Long-term

Stricter regulations can push customers toward circularity, and failing to keep up with developments may risk our market position		
Risk		
	Own operations	Downstream
	Medium-term	Long-term

Resource outflow from Epiroc production processes include battery, electric and diesel driven equipment for mining and material handling, rock drills, bolts, drill rods and bits, breakers etc. We design our products with a lifecycle perspective, striving for productivity, durability, efficiency, long service life, easy maintenance and recyclability. However, not all products and components may be financially viable to service or repair, or may contain materials that hinder reuse or recycling. Using materials and parts that are difficult to recycle as well as designing and assembling products without considering service or end-of-life processes, reduces the possibility of keeping materials and parts in the ecosystem, leading to continuous resource depletion. As eco-design and waste management regulations tighten, we and our customers will face increased pressure to extend circular practices and improve waste management.

Epiroc provides several circular solutions, with opportunities to expand further. A robust aftermarket demand throughout the equipment lifecycle creates a large and resilient service business with stable and predictable revenue and cash flow.

When implementing circular programs, it is important to consider other environmental factors to ensure that the positive effects are not outweighed by negative impacts, such as increased emissions from transportation of new spare parts.

Policies for resource use and circular economy

With reference to

E5-1 Policies related to resource use and circular economy

Epiroc's **Sustainability Policy** (read more in ESRS E1), states that our products and services are developed to meet sustainability requirements. We use a lifecycle perspective to address and minimize the negative environmental impacts that our products and services may have during development, distribution, use, and end-of-life treatment. The policy specifically points out responsible use of natural resources.

Epiroc Environmental Principles (read more in ESRS E1) describe how we should act in relation to environmental matters. One of the principles emphasizes the importance of resource efficiency and circular economy, stating that we minimize our use of natural resources by moving towards a circular economy and promoting the continual use of material to prevent waste. The principle suggests that this can be achieved, for example, by increasing the use of secondary raw material and using Life Cycle Assessment (LCA) as a tool to identify and communicate the environmental footprint of products.

Our **Policy for Responsible Use of Natural Resources** gives guidance on how to ensure circularity and waste management priorities are aligned with global requirements. It explains that all Epiroc companies shall ensure responsible use of natural resources and that processes, including services, shall be optimized to minimize waste. Unavoidable waste shall, when possible, be seen as a resource and managed based on the waste pyramid and the 9R circularity strategies. The policy is to be considered throughout the product lifecycle, in design and optimization of the use phase, and so covers activities throughout our value chain and all identified material IROs for resource use and circular economy.

Managers at all levels are responsible for the implementation of and compliance with the policy. It is reviewed regularly by Head of Group SHEQ, and is available to all internal stakeholders in the Epiroc Way.

Actions and resources

With reference to

E5-2 Actions and resources related to resource use and circular economy

Epiroc provides several circular solutions, with opportunities to expand further. Today's circular offerings include, for example, scheduled maintenance and upgrades, and second-life upgrades of products and spare parts.

Circular design

Our lifecycle approach begins early in the design phase. Eco-design is integrated in our design review process when developing new products. We focus on making our products longer lasting and more energy efficient, including circular design. This involves designing our machines to be lighter, more durable, and easy to disassemble, facilitating service and upgrades. We prioritize modularity to standardize models and minimize the number of articles.

We are also committed to increasing durability within our consumable assortment. The longer life length means that fewer bits are required to drill a given number of meters, which in turn means that less raw material and energy is required. This also means less transport and less waste, ultimately leading to a smaller environmental footprint. As an example, our drill bits are available with both diamond-coated buttons and conventional cemented carbide buttons possible to resharpen. The diamond-coated Powerbit X drill bits last longer than conventional bits, enabling customers to drill longer without interruption, increasing productivity and efficiency. We are continuously working to increase the life length also for the conventional bits.

Many of our customer contracts are based on meters drilled, which means the longer our products last, the more value they provide to both our customers and us. This gives us a strong incentive to develop durable, long-lasting products. By focusing on longevity, we ensure that our equipment remains efficient and reliable over extended periods.

Our portfolio offers several integrated planning and management solutions for intelligent operations – from mine to mill. By understanding the ore body, mining companies can plan and execute the whole mining process more efficiently. Utilizing the knowledge gained during exploration allows customers to drill in a more efficient way, thereby blasting and transporting less waste rock. This leads to higher productivity, lower cost and reduced emissions.

Business models like renting and leasing allow us to maintain ownership and control over the reuse of materials and parts in our products, extend machine life and strengthen our aftermarket business. An example of a circular business model is our Batteries as a Service (BaaS). BaaS gives our customers all the benefits of electric power without the need for them to own the batteries. Through BaaS, we take full responsibility for the batteries, monitoring battery performance, and replacing batteries when necessary. This lowers the investment barrier for customers to invest in battery-electric vehicles, and it secures recurring revenue streams for Epiroc. At the end of life, batteries can be repurposed for other vehicles or energy storage, allowing customers to use more of their own installed renewable energy before the batteries are recycled.

Materials

Our products consist to a very large extent of steel, which requires a considerable amount of raw material, water and energy to produce. To reduce the need for virgin materials, we actively collaborate with our suppliers to increase our use of recycled metals. In this journey, our production sites for our rock drilling tools have come furthest. In these production sites, we are working closely directly with smelters to continuously increase the rate of recycled material, especially for steel. The average inflow material for these products consists of 85% recycled steel. Not only does this have a positive impact on circularity but it also reduces the climate impact from the inflow steel.

Access to critical raw materials like cobalt and tungsten is essential for our cemented carbide powder production. To use these resources responsibly, we use recycled carbide powder from used products to various extents in our production of cemented carbide inserts. The recycled carbide material, a mixture of cobalt and tungsten, comes from both internal carbide powder production excess and drill bits collected through our recycling program for selected customers.

For many of our other products, we purchase more semifinished components rather than raw material so there are intermediaries between us and the smelters, which slow down the shift to recycled materials. That said, we are actively working with steel suppliers to increase the use of recycled steel in our machines. An example of this is our partnership with SSAB and the use of SSAB Zero™, made from recycled steel and produced using fossil-free energy sources and logistics solutions. SSAB Zero™ is used in the production of our Smart and Green series of battery-electric mine trucks and loaders.

Our circular service portfolio is continuously extended with more offerings of second-life products, which is further described under Use of products.

We actively collect data to identify parts and materials containing substances of very high concern (SVHC), such as lead, substances that often have a negative impact on circularity. This is described more in ESRS E2.

Production

At our production sites, we minimize waste by managing resources carefully. When waste is unavoidable, it is sorted. Whenever possible, valuable metals are reused within our own operations or sold back to the smelter in our upstream value chain. Parts and materials that cannot be reused within Epiroc are reported as waste and include activities such as recycling and incineration.

Use of products

For many years, we have focused on product efficiency and lifetime extension through our service and maintenance offerings, while ensuring that products and materials remain valuable and are utilized at their highest potential for as long as possible. With well-performed maintenance and service, the availability and productivity of the machines increase, early replacements of parts is limited, and the lifetime of the equipment is prolonged. This not only benefits the environment by reducing the use of virgin materials but also lowers our customers' total cost of ownership.

We offer a range of service agreements and products tailored to meet diverse customer needs. Some customers prefer having Epiroc service technicians on-site 24/7, while others choose to only purchase new or remanufactured parts and components from us or seek technical advice or training as needed. We see large benefits with our service contracts through which we work in a close relation with our customers for service and maintenance planning, ensuring high productivity, availability and performance of the machines for as long as possible. Our circular machine and component offerings can be found on our circular solutions website which aims to promote and boost demand for our life extension and reuse solutions.

The opportunities for improved use of resources are also facilitated by new technology and digitalization. Collecting and analyzing real-time machine status provides, for example, possibilities of improved planning and more efficient service, with pre-maintenance and prolonged machine and component lives. Our customer platform, My Epiroc, offers instant access to machine data, helping to identify service needs. Customers can also order spare parts directly through My Epiroc.

Software-based automation functionality is another example of how technology can increase the uptime of machines. By integrating advanced automation solutions, Epiroc ensures that machines operate more efficiently and with fewer interruptions from unexpected breakdowns.

Prepare for second life

We offer customers the option to retrofit, repair and rebuild. Together, we minimize the use of new resources and reduce waste, resulting in lower economic and environmental costs. Our large portfolio of circular offerings includes remanufacturing of components such as axles, rock drills and cylinders. Through our offerings where customers can repair, return, remanufacture and service their products, we reuse as much as 80% of the steel and deliver reused components to the same quality as new.

Similar results can be seen in our midlife upgrades, a flexible service solution that extends machine lifespan by repairing and replacing worn-out components and parts, ensuring maximum operational efficiency for the machine in a second life. During a midlife upgrade, machines can also be upgraded with the latest technology options to increase productivity and safety. Machines can also be converted from diesel-powered to battery electric. This not only reuses steel but also adds numerous of operating hours with zero tailpipe emissions.

A tailored solution to collect and recycle used products at drill sites from selected customers, including both steel and cemented carbide materials, was launched in 2024. The program has rendered a positive response from our customers and will be expanded to more markets during 2025.

Metrics and targets

With reference to

E5-3 Targets related to resource use and circular economy
E5-4 Resource inflows
E5-5 Resource outflows

Resource use and circular economy is an important area in which we have many ongoing activities. However, it is also complex, involving various terms and measurement methods. We have no current targets on Group level, one reason being the lack of a common standard for companies to follow. We expect to set relevant and useful targets in the coming years.

Resource inflows

We have not consolidated data for resource inflows on a Group level. Work is ongoing to identify sources for resource inflow data and assess its quality.

Resource outflows

We have Group targets related to waste management where we aim to limit waste to landfill and incineration. Waste management has not been identified as material and will therefore not be disclosed.

Due to the lack of a common standard for calculating durability, repairability and recyclability for our type of products, each company must establish its own criteria. This results in non-comparable information between companies. Consequently, we do not yet have measures or targets for these areas.

Targets for recycled material will be implemented once we have accurate data on the inflow of recycled steel in material and parts.

Durability

We have a large fleet of machines around the world and thanks to the high quality of the equipment in combination with our aftermarket offering, the average fleet age is continuously increasing. For example, we have surface drill rigs that operate at high utilization rates, even though they are more than 20 years old. At year end, the average age of our equipment fleet in operation was 8.4 years and 38% of it was older than 10 years.

Repairability

All our machines are designed to facilitate repairability of worn-out parts to extend the overall lifetime and use phase. We have a continuously growing offering of life prolonging services and upgrades of both machines and spare parts, which increase our aftermarket profitability. These offerings would be fewer and less profitable if the products were not designed with repairability in mind.

Recycled material

Common to Epiroc products is that they mainly consist of steel, which can be recycled. On average, our machines consist of approximately 90% steel by weight and our consumables (attachments and tools) of 70-100% steel by weight.

In our rock drilling tools production sites, the average content of recycled steel is 85%. For our assembling production sites, obtaining information on the percentage of recycled steel in sourced components is challenging due to the involvement of multiple intermediaries between them and the steel producers. We have initiated mapping the origin of our steel materials to identify possibilities to increase the percentage of recycled material. This will make a large contribution to our climate goal of halving CO_2e emissions from sourced materials. Use of recycled steel can save approximately 60-70% of the energy required to produce steel from raw materials.

EU Taxonomy

Reporting in line with Article 8 of the EU Taxonomy Regulation
The purpose of this note is to present disclosures in line with the requirements set out in the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation. This year, a continued conservative approach is adopted in the disclosures.

Disclosure 2024 - KPI turnover

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Code(s) (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of turnover, year N -1 (18)**	**Category (enabling activity or) (19)**	**Category '(transitional activity)' (20)**
		MSEK	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			**%**																
A.1. Environmentally sustainable activities (Taxonomy-aligned)"																			
Manufacture of other low carbon technologies	CCM 3.6	0	0.0%							Y	Y	Y	Y	N	Y	Y	0.0%	E	-
Manufacture of batteries	CCM 3.4	0	0.0%							Y	Y	Y	Y	N	Y	Y	0.0%	E	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) "		**0**	**0.0%**							**Y**	**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**0.0%**		
of which Enabling		0	0.0%	0.0%						Y	Y	Y	Y	N	Y	Y	0.0%	E	
of which Transitional		0	0.0%	0.0%						Y	Y	Y	Y	N	Y	Y	0.0%		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	1 278	2.0%	EL													1.0%		
Manufacture of batteries	CCM 3.4	223	0.4%	EL													0.1%		
Provision of IT/ OT Data driven solutions	CE 4.1	1 453	2.3%				EL										3.0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2 954**	**4.7%**	**2.4%**			**2.3%**										**4.1%**		
Total (A.1 + A.2)		**2 954**	**4.7%**	**2.4%**			**2.3%**										**4.1%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities (B)		**60 650**	**95.3%**
Total (A + B)		**63 604**	**100%**

Proportion of turnover from products associated with Taxonomy-aligned economic activities - disclosure covering year N = 2024

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	**Taxonomy eligible per objective**
Climate Change Mitigation	**0%**	**2.4%**
Climate Change Adaptation	**0%**	**0%**
Water and marine resources	**0%**	**0%**
Circular economy	**0%**	**2.3%**
Pollution	**0%**	**0%**
Biodiversity and ecosystems	**0%**	**0%**

6. EU taxonomy, cont.

Disclosure 2024 - KPI CapEx

Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year N-1 (18)	Category (enabling activity or) (19)	Category '(transitional activity)' (20)"
		MSEK	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
-	-	0	0.0%	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**													**0.0%**		
Of which enabling		0	0.0%	0.0%													0.0%		
Of which Transitional		0	0.0%	0.0%													0.0%		
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	140	1.7%	EL													8.3%		
Provision of IT/OT Data driven solutions	CE 4.1	28	0.3%				EL										0.6%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	9	0.1%	EL													0.1%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	2	0.0%	EL													0.0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	1	0.0%	EL													0,0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	10	0.1%	EL													0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**190**	**9.0%**	**8.4%**			**0.3%**										**9.0%**		
Total (A.1 + A.2)		**190**	**2.3%**	**2.0%**			**0.3%**										**9.0%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities (B)		**8 032**	**97.7%**
Total (A + B)		**8 222**	**100%**

Proportion of CapEx from products associated with Taxonomy-aligned economic activities - disclosure covering year N = 2024

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	**Taxonomy eligible per objective**
Climate Change Mitigation	**0%**	**2.0%**
Climate Change Adaptation	**0%**	**0%**
Water and marine resources	**0%**	**0%**
Circular economy	**0%**	**0.3%**
Pollution	**0%**	**0%**
Biodiversity and ecosystems	**0%**	**0%**

6. EU taxonomy, cont.

Disclosure 2024 - KPI OpEx

Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year N-1(18)	Category (enabling activity or) (19)"	Category '(transitional activity)' (20)"
		MSEK	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			**%**																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
-	-	0	0.0%	0.0%						-	-	-	-	-	-	-	0.0%	-	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**													**0.0%**		
Of which enabling		0	0%	0%															
Of which Transitional		0	0%	0%															
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	180	12.2%	EL													15.5%		
Provision of IT/OT Data driven solutions	CE 4.1	2	0.1%				EL										0.0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	2	0.2%	EL													0.1%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.0%	EL													0.0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.0%	EL													0.1%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0.0%	EL													0.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**185**	**12.5%**	**12.4%**			**0.1%**										**15.7%**		
Total (A.1 + A.2)		**185**	**12.5%**	**12.4%**			**0.1%**										**15.7%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible activities (B)		**1 297**	**87.5%**
Total (A + B)		**1 482**	**100%**

Proportion of OpEx from products associated with Taxonomy-aligned economic activities - disclosure covering year N = 2024

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	**Taxonomy eligible per objective**
Climate Change Mitigation	**0%**	**12.4%**
Climate Change Adaptation	**0%**	**0%**
Water and marine resources	**0%**	**0%**
Circular economy	**0%**	**0.1%**
Pollution	**0%**	**0%**
Biodiversity and ecosystems	**0%**	**0%**

6. EU taxonomy, cont.

This year an assessment has been made against all 6 objectives (Climate change mitigation/adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems) and both eligibility and alignment are reported for the activities in scope.

Assessment of eligibility
The description of EUST activity 3.6 Manufacture of other low carbon technologies, contains the following: "Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered in Sections 3.1 to 3.5 of this Annex.". Epiroc has chosen to define this as products that have zero tailpipe emissions, and that are direct alternatives to fossil-fuel-powered products. Based on that, specific products have been identified as eligible. Eligible equipment includes battery-electric underground machines, cable-electric underground loaders and surface drill rigs. In addition to activities related to EUST activity 3.6, Epiroc is to a small extent involved in assembly of batteries, and thus also covered by the activity 3.4 Manufacture of batteries, and an additional product has been added (Radlink LFP Batteries).

The description of EUST Activity 4.1 Provision of IT/OT Data driven solutions contains the following: "(a) software and information technology (IT) or operational technology (OT) systems, including artificial intelligence (AI) based solutions, built for the purpose of remote monitoring and predictive maintenance". Epiroc has chosen to define this as products that increases durability, reparability, upgradability and reusability of equipment with a product-as-a-service model with the aim to keep equipment at their highest utility value for as long as possible. Eligible IT/OT systems include EarthTrack Payload Management systems for excavator and loaders, IOT enabled Smart Get and Drill Guidance. Although Epiroc contributes to a circular economy with for example, the Reman Centers, an analysis for EUST activities 5.1 – 5.4 shows that Epiroc does not fulfill the criteria for substantial contribution, resulting in no eligibility for 2024.

Accounting policy
The revenues, capital expenditure (CapEx) and operating expenditure (OpEx) denominator and numerator are based on the definitions 1.1.1, 1.1.2 and 1.1.3 as specified in Annex I in the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation.

Calculation of turnover KPI
The denominator includes total revenues in the consolidated income statement. The numerator includes revenues from the sale of products, batteries and accessories that fulfill the eligibility criteria for EUST activities 3.6, 3.4 and 4.1.

Revenues from aftermarket, Service and Tools & Attachments are excluded, due to the uncertainty in definition. In the table provided at the end of this note, additional calculations are provided, which include revenues that are excluded from the formal disclosure, but still contribute to reducing CO_2e emissions.

Calculation of capital expenditure (CapEx) KPI
The denominator includes the total additions and acquisitions of businesses as reported in Note 13 Intangible assets and Note 14 Property, plant and equipment on pages 170-173.

The numerator includes the capital expenditure that relate to an asset or process that is associated with the eligible equipment under EUST activity 3.6, the manufacturing of batteries under EUST activity 3.4 and 4.1 Provision of IT/OT Data driven solutions. This includes, for example, investments in production facilities, production equipment, and R&D. For assets or processes that are also associated with non-eligible products, an allocated share of the capital expenditure based on the expected use/output of the asset or process, has been applied. Capital expenditure related to EUST activity 7.3 to 7.6 from the Climate Delegated Act has also been included, based on point c in the definitions in 1.1.2. These are property, plant and equipment investments related to energy efficiency and renewable energy.

The CapEx plan to allow Taxonomy-eligible activities to become aligned, is not included.

The following four categories of capital expenditure were not included due to the uncertainties in scopes, definitions and available reporting guidance. 1) Capital expenditure related to assets or processes that are associated with the overall functioning of the company, 2) the purchase of output from taxonomy-eligible activities (except 7.3-7.6), 3) R&D into GHG reductions of non-eligible products and 4) climate change adaptation measures.

Calculation of operational expenditure (OpEx) KPI
The denominator includes operating expenditures associated with maintaining the value of the asset: a) Research and development expenses, b) Building renovation measures and c) Maintenance and repair. Excluded from the denominator are amortization, impairment and capitalized costs. Short-term leases and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment, have been excluded due to the uncertainties in scopes, definitions and available reporting guidance. The scope of categories b) and c) has been limited to only include the reporting entities representing the largest share of these types of expenses. This to balance the cost against the value of the data collection.

The numerator includes operating expenditures that relate to an asset or process that is associated with the eligible equipment under EUST activity 3.6 or the EUST activity 3.4. This includes, for example, operating expenditure in production facilities, production equipment, and in R&D. For assets or processes that are also associated with non-eligible products, an allocated share of the operating expenditure, based on the expected use/output of the asset or process, has been included.

Operating expenditure related to EUST activities 7.3 to 7.6 from the Climate Delegated Act has also been included, based on point c in the definitions in 1.1.3. These are operating expenditure related to energy efficiency and renewable energy.

Contextual information
As described above, a conservative approach to the disclosure has been adopted due to uncertainty regarding several aspects of the EU taxonomy. This section provides additional disclosure of revenues that are excluded from the formal disclosure, but still contribute to reducing CO_2e emissions.

In the table below, the following revenues have been added to the revenues described above:
- Revenues from all underground drilling equipment which uses electricity via cable while drilling.
- Range of surface drill rigs with significantly lower fuel consumption compared to other surface drill rigs.

	Absolute revenues MSEK	Proportion of turnover, %
A. Taxonomy-Eligible activities and additional revenues	8 357	13.1 (13.6)
B. Taxonomy-Non-Eligible activities and additional revenues	55 247	86.9 (86.4)
Total (A + B)	**63 604 (60 343)**	**100**

Notes: Eligible revenues and additional revenues include equipment revenues only and do not include revenues from aftermarket. Aftermarket represents around 2/3 of total revenues.

Nuclear energy and fossil gas related activities
Epiroc answers NO to questions 1 to 6 in template 1, Nuclear energy and fossil gas related activities, of Annex III for disclosures referred to in Article 8(6) and (7).

ESRS S1
Own workforce

Own workforce impacts, risks, and opportunities

With reference to

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Epiroc's entire workforce, including employees and external workforce, is included in the scope of identifying material impacts. Epiroc had 18 874 employees and 1 495 external workforce in more than 60 countries at the end of 2024. Employees are directly employed by an Epiroc company, and external workforce includes both self-employed people and people employed by a third-party company but working for Epiroc. The total workforce includes people working in areas such as service, supply chain, production, administration, marketing, sales and support, and research and development.

The potential failure to attract and retain key teams and employees could hinder Epiroc's ability to sustain or expand certain business areas. This is an underlying risk for identified material IROs, all of which impact the attraction and retention of personnel.

Epiroc has operations and employees in regions where challenges exist in terms of upholding international labor rights conventions and ensuring decent working conditions, such as adequate employment conditions and the rights to freedom of assembly and association. Regions particularly vulnerable to these issues include parts of Asia, the Middle East, Africa, South America, and Latin America.

Gender diversity is a challenge – not only to us at Epiroc, but for the entire mining and construction industry. Women make up about 15% of the mining workforce and the share in the construction industry is even lower, according to the World Bank.

Material impacts, risks and opportunities	Description

Health and Safety

Epiroc´s own production and services to customers can be associated with health and safety risks		
Actual negative impact		
	Own operations	
Short-term	Medium-term	Long-term

Safety and health challenges and a weak safety culture can lower productivity and negatively impact Epiroc's brand		
Risk		
	Own operations	
Short-term	Medium-term	Long-term

Epiroc's own production and provided services to customers are associated with health and safety risks that could result in injuries and ill health of our employees from incidents and accidents. Safety is key for us, and we have procedures for risk assessments, incident reporting, and safety inspections. Emergency preparedness programs are in place, such as routines and first aid measures to limit the effect of injuries and ill-health in case of any accident. Effective safety management and leadership contribute to a healthy and injury-free workplace. In addition, we provide many different products to increase safety, for example, safety nets and rock reinforcement solutions. For more information, see ESRS S4.

Around 72% of our employees work with supporting our customers in our aftermarket business, often at customer sites. Many are service technicians, a group particularly exposed to work in harsh conditions, heavy equipment and time on the road. Offering a reliable aftermarket is a key part of our business strategy and we continually develop new solutions to grow this business. For example, we see good opportunities to grow our aftermarket business with automation and digitalization solutions, where employee and customer safety is a key focus. One example is a Live Work Elimination solution called the Automatic Bit Changer, which can change drill bits without any manual handling.

Safety and health challenges can lead to lower productivity, increased cost, lower investor and customer confidence, and can negatively impact the Epiroc brand.

Equality and diversity

Inequality and diversity issues can affect pay, training, discrimination and hiring		
Potential negative impact		
	Own operations	
Short-term	Medium-term	Long-term

Inequality and diversity issues can lead to lack of innovation and harm Epiroc's reputation		
Risk		
	Own operations	
Short-term	Medium-term	Long-term

There is a risk of Epiroc contributing to potential negative impacts of inequality and diversity among our own employees and external workforce, including shortcomings in recruitment processes, unequal pay, harassment, and other forms of discrimination. Risks may vary in regions with differing standards or for different groups, such as minorities and lower-wage roles, or they may arise from individual incidents.

As a result, workplace diversity may be affected, with a risk of reduced morale and motivation, decreased attractiveness to external talent, and increased employee turnover. This can lead to operational inefficiencies and pose reputational risks.

By ensuring equal opportunities regardless of age, gender, ethnicity, or other characteristics, our ambition is to attract a diverse and skilled workforce and assign the most suitable individuals to appropriate roles. This stimulates innovation, improves employee retention, reduces recruitment costs, and enhances Epiroc's employer brand, which contributes to long-term success and financial performance. We have clear commitments, which are supported by specific actions globally and locally, such as equal pay audits and diversity, equality and inclusion training.

Fostering an inclusive workplace is strategically crucial for operations, reputation management, culture, and facilitating workforce changes. The increasing focus on automation, digitalization, and electrification requires new skillsets, creating demand in fields such as software development, data analysis, and robotics. These areas attract talent with experience and skills that are different from and complement what we already have, providing an opportunity to enhance diversity.

Material impacts, risks and opportunities	Description
If Epiroc fails in employment standards, this can impact employees Potential negative impact Own operations Short-term / Medium-term / Long-term	While Epiroc currently maintains strong employment standards, there is a potential risk of negatively impacting the workforce through inadequate employment conditions and salaries, or limitations on freedom of association and collective bargaining rights. These labor issues can be systemic, especially in regions with weaker labor laws, or arise as individual incidents. Failure to address such concerns could hinder recruitment, retention, productivity, and damage Epiroc's reputation. Unresolved labor related issues could disrupt operations, impact employee satisfaction, and weaken public trust. To mitigate these impacts, our response involves having fair labor policies, conducting regular salary reviews, adhering to collective bargaining rights, monitoring labor conditions, enhancing employee engagement channels, and continuously improving labor practices. Proactively addressing labor issues is strategically crucial for core operations, reputation management, and fostering a positive workplace culture. We have established communication channels for employee feedback and grievance mechanisms to identify and resolve labor-related concerns promptly.

Policies for own workforce

With reference to

S1-1 Policies related to own workforce

Our **Code of Conduct (CoC)** (read more in ESRS G1) guides our approach to working conditions and our material IROs, describing key principles such as:

- We are committed to conduct our business in accordance with the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights (UNGP), International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, OECD's Guidelines for Multinational Enterprises, and other conventions.
- We aim for a respectful, safe, and healthy workplace, complying with health and safety laws, with a vision of zero injuries.
- All kinds of discrimination on the basis of race, religion, gender, age, nationality, disability, sexual orientation, gender identity, marital status, pregnancy, ethnic background, union membership, and political opinion, are prohibited.
- We believe in equal opportunities, inclusion and diversity, striving to be the preferred employer.
- We support continuous learning and development through performance talks, clear responsibilities, and training.
- We encourage and support employees in maintaining a positive work-life balance.
- We respect employees' rights to union representation without risk of discrimination.
- Pay and terms shall be fair and reasonable and comply at a minimum with applicable laws or industry standards, whichever is higher.
- Working hours shall comply with applicable international and local laws and regulations.
- Under no circumstances will modern day slavery, such as forced, bonded or compulsory labor or human trafficking, be employed or used in our operations.
- We are strictly against child labor and other forms of exploitation of children.

The UNGP requires companies to have a human rights due diligence process in place to identify, prevent, mitigate and account for how they address human rights impacts. We are committed to addressing and integrating human rights across our business operations in accordance with the UNGP. The Compliance Board monitors the implementation of the CoC, including human rights issues.

The respect for human rights, including labor rights for our employees, are embedded in our company culture. We work with open communication and have many communication channels to engage with our own workforce. We take a proactive stance on addressing any issues and strive to continuously improve our practices to ensure well-being and rights of our employees.

Epiroc's **Sustainability Policy** (read more in ESRS E1) states that we work to ensure the safety and well-being of everyone who works for and with us. It is a core element of every activity. Therefore we arrange consultations and we try to involve employees and/or employee representatives in important questions. We eliminate hazards and reduce occupational safety and health risks.

Epiroc **Safety and Health Principles** describe guidelines and practices designed to ensure the safety and well-being of all of our own workers in various environments. These principles aim to prevent accidents, injuries and illness by promoting safe behaviors and conditions, and supporting our way towards an injury-free workplace. They cover material IROs for health and safety. Our behavior, leadership, and attitudes significantly impact occupational health and safety, forming the core of our safety culture. Ensuring we have the right resources and skills is essential for maintaining a safe workplace. We are committed to identifying, assessing, and mitigating risks regularly, and we never compromise on safety. To prevent injuries and ill-health, we report and act on all safety and health risks and incidents.

As an ISO 45001 certified company, we have defined our Safety and Health Principles based on the ISO standard as well as other internal and external requirements.

The principles apply to all employees. Each divisional President, General Manager and manager in the Group have operational responsibility for all aspects of the principles, as well as their communication and implementation. The principles are reviewed regularly by Head of Group SHEQ and approved by the SHEQ Council.

Our **Inclusion and Diversity Guideline** further reinforces and communicates our beliefs that a diversity of cultures, nationalities, ethnic origins, and gender balance contributes to better business. Inclusion and diversity create broader perspectives, increase innovation and creativity, and enhance the employer brand, leading to better overall results.

The guideline states that we continuously monitor the effect of our inclusion and diversity culture through regular employee surveys, business review meetings, people and leadership review processes, and measuring gender diversity and leadership indexes. Diversity performance shall be measured by all operating units and consolidated for the Group once a year.

Epiroc's **Global Parental Leave Policy** applies to all Epiroc employees in countries with less than 12 weeks of paid parental leave. The policy covers all parents: men, women, lesbian, gay, bisexual, transgender and queer (LGBTQ+) persons. This policy aims to help employees achieve a healthy work-life balance throughout their employment with us. By fostering a supportive work environment, we enhance our ability to attract and retain talent and reduce recruitment costs. Employees taking advantage of the policy are protected against discrimination, and parental leave will not impact their salary review or career opportunities upon return to work. The policy relates to our material IROs regarding inclusion and diversity.

All policies are reviewed on a regular basis by the responsible function. Divisions and General Managers are responsible for implementation. All policies, documents and processes for how Epiroc conducts business are available in our management system, the Epiroc Way, which all employees have access to.

Policies for workers in the value chain are defined under ESRS S2.

Processes for engaging with own workforce

With reference to

S1-2 Processes for engaging with own workers and workers' representatives about impacts

Our decentralized organization empowers workers to have an influence on their workplace. Labor representatives are part of the Epiroc Board, ensuring employee representation in decisions.

Employee safety representatives are involved in occupational health and safety decisions and activities. Local safety committees are also organized in various entities.

Increased safety awareness and enhanced safety culture

To strengthen our work to achieve zero injuries and highlight the importance of safety and health, Epiroc has established a Safety and Health Board. Consisting of leaders from operations, the Board's mission is to champion safety and health within the Group and to lead, inspire and drive the organization towards an injury-free workplace. In addition, safety committees are organized in many places and coordinated locally.

Epiroc's Safety and Health Board collaborates with the organization to achieve zero injuries. Read more under Actions and resources. In 2024, we further strengthened our safety culture through a Safety Pulse Survey for all employees. This was followed by our annual Epiroc Safety Day, which this year was combined with our annual Epiroc Day. Epiroc Day is an event for all employees, focusing on our brand and culture with different themes every year. This year, the theme centered on safety culture. During the event, employees reviewed local survey results, addressed concerns, and created local action plans. Prior to the event, all General Managers and divisional management team members attended safety and health seminars, focused on safety leadership and culture.

Other years, we organize Epiroc Safety Day as a separate event, where all employees are invited to participate in local, in-person meetings. During these gatherings, we discuss our values, positions, and vision, including the rationale behind them. This event provides an opportunity for everyone to engage, share their perspectives, and influence our collective direction.

Information and communication

Epiroc has several information and communication channels to ensure that information is identified, captured and communicated in a way and within a time that enables employees and managers to fulfill their responsibilities. These channels include the Group's policies, guidelines and intranet, the Epiroc Way, business reviews and training.

Epiroc regularly holds a summit for all senior leaders in the Group, with themes aligned with the company strategy. The summit serves as a workshop where the leaders discuss various topics related to the theme. After the summit, the leaders conduct local workshops to engage their teams and to identify short- and long-term improvement initiatives. The 2024 summit was held virtually in March. AI was used to identify important topics and areas for improvement based on input from senior leaders. These topics, such as culture, geopolitics and digitalization, formed the basis for the workshops.

External collaboration

We strengthen cooperation through, for example, the European Works Councils, allowing union clubs within the EU to discuss common focus areas and interact directly with Group Management. As a member of the International Council of Swedish Industry (NIR), we promote sustainable and responsible business practices, participating in initiatives like the Swedish Workplace Programme (SWP), which uses social dialogue to improve and strengthen relationships between management and employees.

Inclusive way to measure performance

During the year, 84% (79) of employees had performance development talks with their managers.

Our employee survey, conducted at least once a year across Epiroc Group, measures employee satisfaction as well as leadership. This anonymous and confidential survey helps us understand employee perceptions on how we act, supporting continuous improvement in our culture and leadership.

Managers are responsible for the survey outcomes, action planning, and execution. Local General Managers, local human resources teams, the different business lines and functions regularly follow up to ensure effective implementation of the action plans.

The 2024 survey included 22 questions covering key elements associated with employee engagement. The effectiveness of the survey is measured by its response rate, which was 78% (83), with 11 000 comments from employees. The results are evaluated and compared against benchmarking with other companies and previous years' data. The results showed that the engagement score remained high at 77 (77) and the leadership index was 72. In comparison to last year's result, there was an improvement in 8 areas, and none of the scores decreased. Top relative strengths include employee safety and motivation. Areas for improvement include collaboration and decision processes. The survey feedback gives us a strong base to understand where we are and what we need to improve.

Processes for remediation and channels to raise concerns

With reference to

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Behavior or actions that are, or, for good reasons may be perceived as, violations of laws or the Epiroc CoC should be reported.

Epiroc has several channels for its workforce to raise concerns directly with the company. These include the Epiroc Speak Up system, a third-party tool for anonymous reporting in local languages, and direct reporting to managers, human resources representatives, or internal compliance and legal resources. Epiroc has a grievance handling mechanism through the Speak Up system. Read more about whistleblowing and Speak Up in ESRS G1.

Actions and resources

With reference to

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Occupational health and safety

Ensuring the safety and well-being of everyone who works for and with us is always a top priority. A behavior-led approach engages everyone in our efforts. In 2024, we implemented several initiatives to raise awareness, address potential hazards and further improve safety across the company – with a particular focus on increased safety awareness and enhanced safety culture. Read more about our safety work for products in ESRS S4.

We have seen a positive trend in the work-related injury rate in 2024 compared with 2023. There are few severe injuries, and hand injuries represent a high share of the total injuries. We are taking numerous actions to further improve safety and reduce injuries. Examples are improved onboarding training, safety awareness training for all employees, safety leadership training for General Managers, dedicated task forces for certain entities, Epiroc Safety Day, as well as safety campaigns and sharing best practices. We are developing new measurements and tools to track our progress. We continued to implement our internal Epiroc safety commitments during the year. These are reminders of how we should act and behave according to our internal safety rules to protect our co-workers and ourselves.

Hazard identification, risk assessment, and incident investigation

All Epiroc entities must have procedures in place for risk assessments, incident reporting, and safety inspections, as required by our management system and ISO 45001. While our health and safety management adheres to ISO 45001 criteria, it can also exceed these standards. Operating entities with a lower risk are exempt from external certification but must still follow Group procedures. In total there are 72 number of ISO 45001 certified entities. Out of our total workforce of 20 369, 81% are covered by an external certified health and safety management system.

All employees are encouraged to report safety and health risks. We encourage entities to use our preferred system for risk reporting, to e.g., report risk observations, near-misses and injuries, investigate and mitigate risks. Work-related injuries are reported and followed up at respective entity, divisional and Group level. All injuries and safety incidents result in investigation and corrective action. Lessons learned are shared within the company as safety shares to prevent similar incidents, and consolidated safety data informs local and global safety measures.

When working in the field at a customer site or similar, Epiroc employees are trained to perform their own risk assessments, like Last Minute Risk Assessment, and are required to follow local regulations and procedures. If they still face a risk situation, they are empowered to stop work and not put themselves in a hazardous situation.

SafeStart and other training

SafeStart®, our program to improve all employees' personal safety awareness, completed its fifth year. Its mission is to establish a global safety culture, strengthened with local input, and improve our ability to eliminate and prevent risks, which requires a change in behavior. A higher risk awareness reduces human errors that could otherwise lead to injury or close-call events. This includes competencies useful at work, in traffic and at home. In total, 72% of our employees have been trained in SafeStart since the rollout started.

Service technicians, exposed to heavy equipment, time on the road and harsh conditions, undergo additional safety training and follow safety procedures regardless of where they work. All employees are empowered to address health and safety risks and incidents and to stop work if the situation demands it.

Occupational health services

Occupational health services are provided to employees at most units and vary by country depending on local needs and legislation, and the level of health service available. Services include doctors, nurses, psychologists, physiotherapists and ergonomists. Employees or employee safety representatives participate and are consulted in occupational health and safety decisions and activities as part of the requirements in ISO 45001. Health promotion is mainly local, with some locations allowing exercise during working hours. All health promotion services and programs are voluntary.

Injury management

At Epiroc, we support employees who suffer workplace injuries by providing alternative or restricted duties during treatment and rehabilitation. Our medical practitioners ensure appropriate remedies to facilitate recovery.

For those unable to return to their pre-injury duties within 24 hours, we develop a Return to Work Plan. This plan outlines and monitors the tasks the injured employee can perform. We also offer the option to work from home when feasible.

Additionally, we implement local initiatives for remedy and rehabilitation and ensure our employees are covered by insurance according to each country's regulations.

Safety and Health Award

The Epiroc Safety & Health Award was presented to the Customer Center (CC) in Australia for showcasing good initiatives and setting a global benchmark. The initiatives included implementing a system to manage key hazards with safety checks and creating a quick reference guide for regular policies and procedures. Over the past 18 months, the CC in Australia has significantly reduced the injury rate.

Inclusion and diversity

Our senior managers represent 39 (39) nationalities.
We strive to attract and retain the best talent by valuing diversity, as diverse teams are proven to be more creative, innovative, and high performing. We promote an inclusive culture where people feel safe and are encouraged to be themselves. This is supported by training on unconscious bias, inclusive leadership, psychological safety training for leaders, mentorship programs for women, and policies that promote diversity. Our Inclusion and Diversity Guideline states that all leaders should be trained on diversity and see all individuals' talent. Inclusion and diversity activities are in place throughout the Group, overseen by our Inclusion and Diversity Board.

In 2024, we launched our Inclusion and Diversity Company Statement, emphasizing the importance of collaboration, individual contributions, and diverse perspectives to drive innovation and conduct business for a sustainable future.

During the year, we continued to focus on how we attract, recruit, onboard and retain employees with an increased focus on employer branding. We have a data-driven approach to identify how we can be a more attractive employer to the talent we seek.

Gender equality

The mining and construction industries have long been male dominated, creating barriers for women. As a result, we place a strong focus on women in our inclusion and diversity efforts, aiming to boost the number of women in both operational and managerial roles without compromising on competence. One of our 2030 goals is to double the number of women in operational roles (see definition under Metrics and targets), supported by several initiatives.

One is the Daring Women Program, which prepares women for managerial and operational roles. Since 2021, 34 women from Latin America, Africa, and India have completed the program, with 10 advancing to new roles. Thanks to a new structure, the 2024 edition of the program has enabled more efficient delivery of key business knowledge through virtual sessions led by internal experts. Currently, 69 participants from different regions are actively engaged in the program.

We have also increased the number of women apprentices in programs in our customer centers, such as the service academy in India for female service technicians, which began in 2021. The current edition of this program now includes participants from all regions.

To be launched in January 2025, the "High Voltage Women" training program aims to empower young female technical students in South America. The program will provide essential skills, mentorship, technical expertise, and hands-on experience needed to thrive in mining operations.

Courageous leaders

Epiroc's global leadership programs are part of our strategy to attract and develop leaders. The Challenger Program encourages employees to challenge the organization to accelerate innovation. The Influencer Program enhances leadership capabilities to inspire collaboration and increase performance. The Navigator Program focuses on experienced managers who want to lead by example and develop authenticity in their leadership.

We also prioritize internal mobility to broaden perspectives and support growth, including international assignments. 125 (134) employees (including 16 women) from 36 (38) countries work on long-term international assignments.

Our internal Career Week connected employees with career mentors for advice and guidance. We also hosted open events where we showcased how we work with career and professional development in the Group.

Fair pay

Our CoC states that pay and terms shall be fair and reasonable and comply at a minimum with applicable laws or industry standards, whichever is higher. Our view and practices around compensation and benefits align with our inclusion and diversity agenda, ensuring that all employees can reach their full potential without prejudice or discrimination. We strive to be fair, transparent, and equitable in our processes to ensure pay equity. This means offering equivalent total reward packages for the same work or work of equal value, considering market differences and individual performance.

We are running a project that builds on our principles for total rewards, with the objective to digitalize efforts to enhance Epiroc's capabilities in managing compensation and benefits. This project aims to improve data available for comprehensive analysis across the Group. The project represents a significant effort by Epiroc, where pay equity has been addressed as one important area to actively monitor.

We aim to employ structured methods to ensure fairness, with procedures based on transparent, objective criteria to address any inequalities in total rewards. Salaries are normally reviewed once a year.

Freedom of association and the right to collective bargaining

Employees have the right to choose whether they wish to be represented by a trade union or not. In 2024, 37% (39) of our employees were covered by collective bargaining agreements. For those not covered, we aim to provide terms and conditions of employment fully aligned with market practices. Read more under Metrics and targets.

Internal audits

We perform internal audits on all operations, at least every fourth year. In this formal process, compliance with the CoC is verified. Human rights, fair pay, health and safety, equal opportunities and diversity, training and development, working hours, work-life balance and union rights are part of the audits.

Training

Training and developing employees' skills and capabilities is key to our success. This includes giving clear responsibilities and continuous responsible feedback.

Examples of training initiatives throughout the year include upskilling service technicians who play a central role in the transformation from diesel to electrification, renewable fuels, and automation. This requires a range of competencies, from technical skills to soft skills like effective communication and customer orientation. The upskilling program also includes components aimed at improving data definitions, enabling us to better track progress and development.

Another initiative, "Drive Critical Skills", addresses specific knowledge needs based on different roles. For instance, it includes AI awareness for multiple roles and advanced training for more specialized positions.

Metrics and targets

With reference to

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S1-6 Characteristics of employees
S1-8 Collective bargaining coverage and social dialogue
S1-9 Inclusion and diversity metrics
S1-10 Adequate wages
S1-14 Health and safety metrics
S1-16 Compensation metrics
S1-17 Incidents, complaints and severe human rights impacts

In 2020, we set long-term goals for People and Planet for 2030. We also have yearly targets established to efficiently measure and follow up on milestones needed to reach our 2030 goals.

The goals and targets for People, related to own employees, are described below. The targets are integrated into our annual target-setting process. Group Management reviews and approves these targets. Additionally, targets for own employees are reported and monitored on a monthly basis. For more details on the target-monitoring process, see Sustainability governance and strategy in ESRS 2.

One of our 2030 goals is to have all employees comply with our CoC. We also set annual targets for confirmed compliance for managers. Read more under Confirmed incidents of corruption or bribery in ESRS G1.

Characteristics of employees

All data related to the number of employees presented as headcount is estimated based on FTEs. All data related to number of employees is collected in FTEs. However, the relationship between FTEs and headcount is essentially 1:1.

The definition of "full-time employee" is based on recommendations of the Swedish Accounting Standards Board. The "full-time equivalents" (FTE) method is used, where one employee corresponds to the normal full working hours in the company, i.e., assuming 40 hours per week - an employee who is contracted to work 20 hours a week is 0.5 FTE.

All figures are for the end of the year. For more information on employees and personnel expenses, see note 5 in the Group financial information.

Employee turnover and new hires

	2024	2023	2022
Employee turnover ratio (%) [1]	15.0	6.9	8.8
New hires (headcount)	3 098	2 431	2 632

[1] 2022 and 2023 figures show voluntary employee turnover while in 2024, the measure includes both voluntary and non-voluntary turnover. For comparability, the voluntary turnover ratio in 2024 was 6.8%.

Employees by gender

Gender	Number of employees (headcount)
Male	15 140
Female	3 734
Other	–
Not reported	–
Total number of employees (headcount)	**18 874**

Employees by country

The table shows the number of employees at the end of the year in countries where Epiroc has at least 50 employees representing at least 10% of our total number of employees.

Country	Number of employees (headcount)
Sweden	3 550
Australia	2 253
USA	2 131
South Africa	1 895

Employees by contract type and gender

The table shows information on employees by contract type, broken down by gender. For more information on employees and personnel expenses, see note 5 in the Group financial information.

	2024		
(FTE)	Female	Male	Total
Number of employees	3 734	15 140	18 874
Number of permanent employees	3 659	14 941	18 600
Number of temporary employees	69	204	273
Number of non-guaranteed hours employees	109	425	534
Number of full-time employees	3 647	15 008	18 655
Number of part-time employees	85	134	219

Employees by contract type and region

The table shows information on employees by contract type, broken down by region.

	2024				
(FTE)	North America	South America	Europe	Africa/ Middle East	Asia/ Australia
Number of employees	4 120	1 386	4 863	2 768	5 737
Number of permanent employees	4 090	1 384	4 806	2 649	5 671
Number of temporary employees	30	2	56	120	65
Number of non-guaranteed hours employees	502	–	9	4	19
Number of full-time employees	4 103	1 365	4 792	2 718	5 677
Number of part-time employees	18	21	71	50	59

Collective bargaining coverage and social dialogue

In 2024, a total of 37% (39) of our employees were covered by collective bargaining agreements. 100% of employees in Sweden are covered by workers' representatives [1]. To read about Epiroc's work with the European Works Council, see the section Processes for engaging with own workforce.

	Collective Bargaining Coverage		Social dialogue
Coverage Rate	**Employees – EEA** (for countries with > 50 empl. Representing > 10% total empl.)	**Employees – Non EEA** (estimate for regions with > 50 empl. Representing > 10% total empl.)	**Workplace representation (EEA only)** (for countries with > 50 empl. Representing > 10% total empl.)
0-19%		North America and Asia/Australia	
20-39%		Africa/Middle East	
40-59%		South America	
60-79%		Europe	
80-100%	Sweden		Sweden

[1] Calculation of figure: number of employees working on establishments with workers' representatives/number of employees in Sweden. This is only reported for Sweden, as it is the only country in EEA where Epiroc has significant employment, i.e. at least 50 employees representing at least 10% of the company's total employees.

Inclusion and diversity metrics

One of our 2030 goals is to double the number of women in operational roles, from 11% in 2019 to 22% in 2030. Operational roles are those in R&D, marketing and sales, manufacturing, logistics and service. In certain job categories it is more challenging to achieve our long-term goals. For example, in service, where the current pool of women with relevant background and interest is low. In addition, social norms and conditions need to be challenged to make a difference.

We also want to increase the total number of women managers and employees, and our targets are for 40% of managers and 30% of employees to be women by 2030.

For the proportion of women at top management level, see note 5 in the Group financial information. For calculating diversity metrics in financial note 5, top management is defined as Group Management, which includes the President and CEO and twelve other members.

Operational role	Percentage of women employees in base year 2019	Percentage of women employees 2023	Percentage of women employees 2024
Research and development (R&D)	11.8%	18.4%	17.7%
Marketing and sales	14.8%	19.4%	20.8%
Manufacturing	10.3%	10.9%	10.9%
Logistics	29.3%	33.2%	34.4%
Service	5.1%	7.8%	8.5%
Total	**11.2%**	**13.7%**	**14.5%**

Adequate wages

Our CoC states that all employees should receive fair and reasonable pay and terms. As a minimum, these must comply with applicable laws or industry standards, whichever is higher. Internal audits are performed to ensure compliance.

We have begun defining the metrics for what "adequate wage" means in Epiroc terms and what external benchmark to use for future analysis. In parallel, we are working to ensure access to internal compensation data to enable this analysis on a global scale.

As a starting point in this work for 2024, we conducted an internal survey across 50 countries where we have employees, in order to confirm that we comply with applicable laws on minimum wage or industry standards, whichever is higher. We found no instances of employees being paid below these benchmarks. Epiroc remains committed to ongoing efforts in this area.

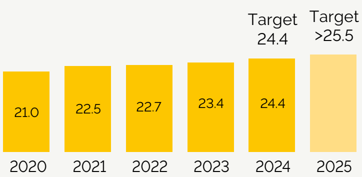
Compensation metrics

The ratio of remuneration for highest paid individual (President and CEO) to average total compensation for average employees is 30.7 (40.9). Calculations are based on numbers on pages 161-162.

Incidents, complaints and severe human rights impacts

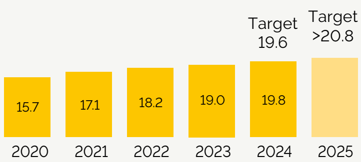
Throughout the year, 63 cases of non-compliance in relation to work-related discrimination, harassment and human rights violations have been reported via the Speak Up line. A total of 20 cases have been fully or partly confirmed and in 7 cases employees have been dismissed. In the 20 fully or partly confirmed cases, no fines, penalties, or compensation for damages were paid as result of violations regarding work-related discrimination, harassment or human rights. Read more in ESRS G1.

Women managers, %



Good progress made during the year. Excluding the effect of acquired companies in the year, the result would be 25.2%.

Women employees, %



Good progress made during the year. Excluding the effect of acquired companies in the year, the result would be 19.9%.

Distribution of employees by age group

Number of employees (FTE), December 31, 2024	18 874
- under 30 years old [1]	10 612
- 30-50 years old [1]	2 831
- over 50 years old [1]	3 302

[1] Epiroc companies in USA only report total number of employees, 2 129 in 2024.

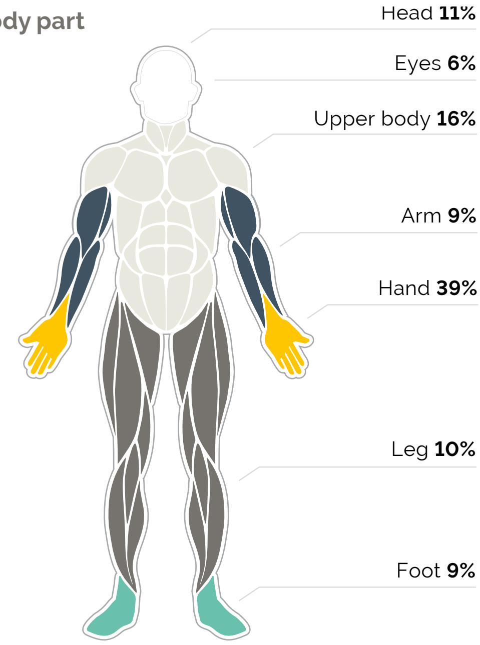
Health and safety metrics

One of our 2030 goals is to have no work-related injuries. We measure this using Total recordable work-related injury (TRI) and Total recordable injury frequency rate (TRIFR) which include: fatality, injury resulting in absence from work, restricted work, medical treatment, loss of consciousness or significant injury diagnosed by a physician. TRIFR is calculated per million hours worked.

High-consequence injuries (HCI) are also reported. These are injuries where the worker cannot or is not expected to recover fully to pre-injury health status within 6 months. If expectation of recovery changes, the HCI is to be restated. If HCI is confirmed after year-end (within 6 months), the HCI is reported in year 2. Fatalities are excluded from our calculation of high-consequence work-related injuries. No. of days lost to work-related injuries and fatalities from work-related accidents, related to employee, is calculated on working days and not calendar days.

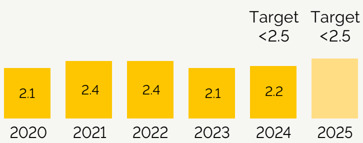
To strengthen our control and monitoring of occupational health and safety, we are setting up new measures related to ill health. These will be included in our monthly reporting and tracked at the entity, divisional, and Group levels to ensure comprehensive follow-up.

Injury by body part



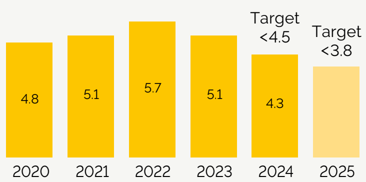
	2021	2022	2023	Target 2024	2024
No. of fatalities as a result of work-related injuries	–	–	1	0	–
No. of fatalities as a result of work-related injuries – Employees	–	–	1	0	–
No. of fatalities as a result of work-related injuries – Non-employees	–	–	–	0	–
No. of total recordable work-related injuries (TRI)	**155**	**192**	**193**	–	**170**
No. of total recordable work-related injuries (TRI) – Employees	135	168	168	–	159
No. of total recordable work-related injuries (TRI) – Non-employees	20	24	25	–	11
Total recordable work-related injury frequency rate (TRIFR)	**5.1**	**5.7**	**5.1**	**<4.5**	**4.3**
Total recordable injury work-related frequency rate (TRIFR) - Employees	4.8	5.5	4.9	–	4.4
Total recordable injury work-related frequency rate (TRIFR) - Non-employees	8.0	8.0	7.4	–	3.4
No. of high-consequence injuries (HCI)	**6**	**4**	**5**	–	**2**
No. of high-consequence injuries (HCI) – Employees	6	4	4	–	2
No. of high-consequence injuries (HCI) – Non-employees	–	–	1	–	–
No of days lost to work-related injuries and fatalities from work-related accidents, related to employee	**1 731**	**1 857**	**1 743**	–	**1 978**

Sick leave, %



Target for 2024 was 2.5% and the result was 2.2 (2.1). Fairly consistent over time with an increase in 2024 compared with 2023.

Total recordable injury frequency rate (TRIFR)



Target for 2024 was 4.5 and the result was 4.3 (5.1). Continuous focus on proactive and reactive safety measures as well as actions to strengthen the safety culture contributes to the positive trend.

ESRS S2
Workers in the value chain

Section	Connected disclosure requirements	Page reference
Workers in the value chain impacts, risks and opportunities	SBM-3	83-88, 124-126
Policies for workers in the value chain	S2-1	126-127
Processes for engaging with workers in the value chain	S2-2	127-128
Processes for remediation and channels to raise concerns	S2-3	128
Actions and resources	S2-4	128-129
Metrics and targets	S2-5	130-131

Workers in the value chain impacts, risks and opportunities

With reference to

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Given our global presence with sales in around 150 countries, having customers within mining and infrastructure, along with an extensive global supply chain and sourcing of metals and minerals, we recognize the impact our operations, products, services and business relationships may have on workers throughout our value chain.

The scope of these workers includes:

- Workers operating and servicing our equipment in our downstream value chain. Product safety is described more in ESRS S4.
- Workers included in our upstream value chain consist both of those who produce materials and parts, which we source for our production or operations, as well as those who provide services to us, such as temporary labor in our production or cleaning.

We define risk markets using environmental, human rights and corruption criteria from a third-party risk analytics firm. Examples of risks covered are labor standards, child labor and modern slavery.

Material impacts, risks and opportunities | **Description**

Working conditions upstream

If poor working conditions occur among suppliers and in countries we source from, this can harm workers and infringe on labor rights		
Potential negative impact		
Upstream		
Short-term	Medium-term	Long-term

Rapid electrification may push Epiroc to source from countries with a heightened risk for human rights issues		
Potential negative impact		
Upstream		
Short-term	Medium-term	Long-term

If poor working conditions occur among suppliers and in countries we source from, this can harm Epiroc's reputation or lead to fines		
Risk		
Upstream		
Short-term	Medium-term	Long-term

We have a global supply chain where lower-tier suppliers in particular can bring additional risks, as transparency is limited, and informal or temporary labor is more common. Human rights and labor rights risks are especially prevalent in regions with weak legal frameworks or less stringent labor and human rights standards. Identified higher-risk regions are parts of Asia, the Middle East, Africa, South America and Latin America, based on insights from our third-party risk analytics firm. For Epiroc, these risks are heightened during acquisitions, as the acquired company's suppliers may not have been screened according to our standards. Furthermore, agency and temporary workers within our own and suppliers' operations run a higher risk of exploitation.

A local presence and sourcing locally can carry risks of negative human rights impacts in certain regions. However, it also provides benefits, including stronger relationships with business partners and a reduced carbon footprint from transportation. Striking the right balance between these factors is essential. We are actively evaluating how best to achieve this balance, with a commitment to conducting business responsibly, upholding high ethical standards, and adhering to our Code of Conduct (CoC).

If poor working conditions or restrictions on collective bargaining or freedom of association were to occur within our supply chain, or if serious violations like modern slavery, forced labor, or child labor were present, this could cause significant harm to workers. Inadequacies in areas like safety management, working hours, wage standards, and freedom of association could prevent workers from accessing their labor and human rights. If such issues were to occur within our supply chain, this could damage our reputation, lead to customer loss, penalties, and fines. It could also cause production disruptions due to high worker turnover, unrest, or strikes, leading to delayed or missed deliveries.

The extraction of metals and minerals such as tantalum, tin, tungsten, gold, cobalt, and mica, some needed for batteries, in regions with weak regulatory frameworks, is a high-risk supplier area. They are essential in modern technologies but some are considered to be conflict minerals by the EU due to their extraction in conflict-affected areas, e.g. the Democratic Republic of the Congo (DRC). Workers in these supply chains, often from marginalized or vulnerable communities like migrant workers and indigenous peoples, face increased risks of exploitation, poor working conditions, and inadequate wages. These minerals are needed in some of our products, and we use our dedicated conflict minerals and cobalt program to ensure responsible sourcing. Other human rights challenges include land rights and access to clean water.

To manage the risks above, we engage in a number of due diligence efforts, including requiring our suppliers to sign our Business Partner Code of Conduct, performing risk screenings, piloting a third-party audit program, and working closely together with our battery suppliers and other electrical component suppliers to find sustainable solutions and achieve transparency on our impact across the value chain. For more information on electrification, see pages 28-31 and for more information about our Conflict Minerals Program, see ESRS S3.

Material impacts, risks and opportunities	Description

Working conditions downstream

If poor working conditions occur downstream, this can harm workers and infringe on their labor rights		
Potential negative impact		
		Downstream
Short-term	Medium-term	Long-term

Electric mining equipment improves worker health for customers		
Actual positive impact		
		Downstream
Short-term	Medium-term	Long-term

Failure to consider risks of poor working conditions and that human rights are not respected downstream, could harm Epiroc's reputation		
Risk		
		Downstream
Short-term	Medium-term	Long-term

If poor working conditions were to occur downstream, this could severely harm workers and prevent them from accessing their labor rights. Workers downstream in our value chain may face hazardous work environments and may be deprived of their ability to fully exercise their labor rights, such as the right to a safe workplace, fair wages, and reasonable working hours.

If poor working conditions were to occur downstream, and if Epiroc were to unknowingly support operations with human rights violations, this could result in reputational damage for Epiroc. This can lead to customer loss, stock devaluation, penalties and fines.

Doing business ethically is important for Epiroc and we follow our CoC. We also manage issues with working conditions through our Responsible Sales Assessment (RSA) process.

Electrification of mining equipment improves working conditions for Epiroc customers in mines by reducing diesel fumes, noise level, and vibrations, leading to a healthier environment. One of our 2030 goals is to offer a full range of emissions-free* products by 2025 for underground and by 2030 for surface operations.

We provide numerous solutions to improve the safety of those using our products. Through innovation in automation, but also electrification and digitalization, we are achieving measurable safety gains. Read more in ESRS S4.

* Emissions-free products do not emit exhaust gas or other pollution from the onboard source of power, also referred to as zero tailpipe emissions.

Policies for workers in the value chain

With reference to

S2-1 Policies related to value chain workers

For managing negative impacts on workers in our upstream value chain, Epiroc has three key documents: Code of Conduct, Business Partner Code of Conduct and Responsible Sourcing Due Diligence Framework. For workers downstream in our value chain, we make use of our Business Partner Code of Conduct, our RSA Policy, and other steering documents for product safety, see ESRS S4.

Our **Code of Conduct (CoC)** (read more under ESRS G1) describes how we strive to be a good and reliable corporate citizen. We support all internationally recognized human rights and respect those rights in conducting our operations throughout the world. We are committed to implementing the UN Guiding Principles on Business and Human Rights throughout our business operations.

Epiroc's **Business Partner Code of Conduct (BP CoC)** outlines requirements for business partners, based on applicable laws and internationally recognized principles for how companies should conduct business responsibly. Further, it outlines the appropriate business conduct and expected behaviors, defining Epiroc's general approach to respecting human and labor rights.

Epiroc promotes equal opportunities, diversity, and inclusion, and aims to provide a respectful, safe, and healthy working environment. The BP CoC also affirms Epiroc's commitment to being a responsible corporate citizen and implementing the UN Guiding Principles on Business and Human Rights. It defines how we should approach multiple sustainability matters and relates to material IROs identified under ESRS E1, E2, E3, S2, S3 and G1.

Epiroc is a signatory to the United Nations Global Compact and the BP CoC is based on the following internationally recognized standards:

- UN Guiding Principles on Business and Human Rights,
- UN Universal Declaration of Human Rights,
- The International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and subsequent core conventions,
- UN Convention against Corruption,
- OECD's Guidelines for Multinational Enterprises, and
- The Rio Declaration on Environment and Development.

Business partners must, in all their activities, follow the national laws and regulations applicable to their operations in the countries in which they operate. Should the business partner consider any requirement in the BP CoC to be in conflict with national laws or regulations in a country or territory where they operate, the business partner must, before signing this document, notify Epiroc to discuss how Epiroc's requirements can be accommodated without conflicting with such laws or regulations. Epiroc's requirements may go beyond the requirements set out in national law, in which case the business partner must comply with the stricter Epiroc requirements.

The BP CoC specifies the first step in Epiroc's due diligence process for managing potential negative impacts for workers in the value chain upstream and for indirect sales channels downstream, by providing clarity on Epiroc's policy commitments and requirements. Among other things, our business partners must:

- Prohibit all kinds of discrimination.
- Respect employees' rights to freedom of association.
- Safeguard safety by guaranteeing appropriate processes and procedures.

- Under no circumstances use child labor or modern slavery, including forced labor or human trafficking. The policy prohibits activities that could lead to forced labor, such as requiring employees to lodge money, identity papers, or original documents with the business partner, and charging employees for personal protective equipment or uniforms.
- Comply with regulations in respect of working hours.
- Perform due diligence according to UNGP and OECD guidelines for multinational enterprises when dealing with conflict minerals.

Our definition of business partners includes suppliers, distributors, contractors working on behalf of Epiroc, and intermediaries. Intermediaries are persons or organizations appointed and paid by Epiroc to represent Epiroc in a particular matter. They may, for example, be agents, consultants, representatives and brokers.

The BP CoC is reviewed regularly by VP Sustainability and VP Group Compliance Officer and approved by the President and CEO. It is available in 13 languages and is published on our corporate website and communicated to our business partners.

Epiroc's **Responsible Sourcing Due Diligence Framework (DD Framework)** is designed to identify, assess and manage both actual and potential material impacts on value chain workers upstream, including service providers like cleaners and security personnel, as well as factory workers in our supply chain. The document states that Epiroc understands the potential negative impacts on human and labor rights that may exist within our upstream value chain and has thus adopted a due diligence approach to manage these impacts.

The primary goal of the DD Framework is to consolidate and enhance Epiroc's efforts in identifying and reducing harm to workers and the environment within the supply chain. It focuses on human rights and labor rights, including forced labor, child labor, human trafficking, health and safety, working hours, wages, freedom of association. The framework addresses material IROs as identified under ESRS S2. Epiroc's commitment to human and labor rights is elaborated in the BP CoC.

Epiroc's Responsible Sourcing Manager is responsible for the DD Framework. The framework is reviewed and approved by VP Strategic Sourcing. It is a steering document within Epiroc's management system and is available for employees in the Epiroc Way.

Epiroc's **Conflict Minerals Policy** aims to ensure that exploitation and trade of the 3TG content in Epiroc products does not originate from sources that support finance to armed groups or security forces in resource rich areas. The policy applies to significant suppliers. Suppliers of products containing 3TG, are therefore required to identify and declare the origin of such minerals in the products and components sold to Epiroc to ensure that the products are conflict free and do not directly or indirectly finance or benefit armed groups in, for example, the DRC.

Divisional Presidents and General Managers are responsible for the implementation of this policy and are assigned responsibility to oversee the supply chain due diligences process. The policy is reviewed regularly by Group SHEQ and approved by VP Sustainability. It is available for all internal stakeholders in the Epiroc Way. External stakeholders can access the policy on our website.

Epiroc's **Responsible Sales Assessment (RSA) Policy** aims to enhance our understanding of customers and identify potential risks with regards to human rights, corruption, and environment in markets where Epiroc is present and find mitigation measures for these potential risks. The policy supports our CoC commitment to support all internationally recognized human rights and respect those rights in conducting Epiroc's operations throughout the world. It addresses identified material IROs for downstream value chain workers.

The policy outlines how to implement our RSA process, which requires our customer centers to identify and mitigate potential risks. Specific criteria allow us to determine when the process is required. These are:

- Country: our third-party risk analytics firm ranks countries according to risks, such as labor standards, child labor, modern slavery, impacts on land rights and indigenous people, environment as well as corruption.
- Customer: type of customer and project.

Epiroc does not enter into a business relationship if severe risks are identified during the assessment or terminates it if reported later on.

The responsibility for implementing the RSA Policy rests with the divisional Presidents and General Managers for customer centers, while VP Sustainability is responsible for updating the policy and communicating any changes. The Marketing Council is responsible for following up the implementation of the policy. E-learning training for the RSA Policy and process is available.

All policies, documents and processes for how Epiroc conducts business are available on the intranet in the Epiroc Way which all employees have access to.

Processes for engaging with value chain workers

With reference to

S2-2 Processes for engaging with value chain workers about impacts

Workers in upstream value chain

The most effective way to identify potential impacts is to speak directly with the workers. Epiroc has conducted its own audits in the upstream value chain for a number of years, including social parameters. However, the direct engagement with workers during these audits is limited. To enhance engagement, Epiroc initiated a pilot audit program in 2024, contracting a third-party auditor for external social and environmental audits. The third-party auditor was tasked with auditing a selection of high-risk, significant suppliers. The auditor interacts with value chain workers through on-site interviews as well as surveys organized in conjunction with the audits and the Group Sourcing Compliance Manager ensures these engagements take place. The auditor analyzes the workforce to ensure representation of all groups, such as women, minorities, migrants, and disabled workers, thereby including marginalized workers' perspectives.

While these engagements do not provide a complete picture of whether labor rights and human rights are fully respected, they contribute valuable insights into potential risks. They help Epiroc's responsible sourcing team to understand the impacts on workers and determine appropriate remediation actions.

We plan to develop and strengthen our pilot program for third-party audits in the coming years and incorporate them as an important component into our due diligence processes for responsible sourcing.

Workers in downstream value chain

We have not established a formal process for engaging with value chain workers downstream about impacts. However, we utilize multiple channels to gain external perspectives. These insights help us assess impacts for all stakeholders, including customers. One such channel is the RSA.

Responsible sourcing is important to Epiroc, and we use a risk-based approach. We assess supplier compliance in different ways, including supplier self-assessments.

Processes for remediation and channels to raise concerns

With reference to

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Epiroc has a responsibility towards value chain workers in offering them a way to raise concerns and to enable access to remedy. How to strengthen the processes for remediation and channels for value chain workers upstream to raise concerns will be in focus going forward.

In our above-mentioned pilot program for third-party audits, workers can raise concerns in interviews and surveys accessed via QR codes, ensuring accessibility for as many workers as possible. The auditor has internal processes to ensure workers are informed about their ability to raise concerns anonymously.

We have a corrective action plan process that is followed if there are any findings in our own audits, as well as in the third-party audit pilots. This process involves analyzing findings, identifying root causes, and working on corrective actions together with the suppliers to prevent and/or mitigate negative harm. If a grievance were to be brought to our attention through an audit interview or survey, we would include it in a corrective action plan to monitor progress in addressing the issue.

Actions and resources

With reference to

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Workers in upstream value chain

To prevent or mitigate negative impacts on upstream value chain workers, Epiroc's responsible sourcing team follows our responsible sourcing DD Framework. Each division is responsible for these impacts within their suppliers. An appointed Group function for strategic sourcing supports the divisions by providing tools and follow-ups, with assistance from the divisions. Our processes include both direct suppliers who provide goods for the production of Epiroc products (e.g. steel suppliers), and indirect suppliers who provide goods and services for Epiroc's operations (e.g. workwear and security personnel).

Business Partner CoC compliance

Compliance with the BP CoC is tracked for all significant suppliers - those with the largest purchasing spend or operating in high-risk countries. The threshold for purchasing spend is lower for suppliers operating in high-risk countries. High-risk countries are defined using criteria from a third-party risk analytics firm, covering issues such as environmental, labor standards, child labor, modern slavery and corruption.

Epiroc's local management is responsible for evaluating their suppliers according to the BP CoC requirements. All business partners must sign and adhere to the policy. First-tier suppliers are responsible for ensuring their sub-suppliers comply with the BP CoC principles. If requested, suppliers must inform Epiroc of their sub-suppliers. We have a thorough process to ensure all suppliers sign our BP CoC. If a supplier does not sign, they will be contacted for dialogue, and failure to sign may lead to contract termination.

To identify potential negative impacts, Epiroc requires collaboration and access to business partners' premises. In case of a material breach of the BP CoC, Epiroc reserves the right to terminate the relationship or allow a period for the business partner to address the breach.

Risk analysis
The identification of risks associated with high-risk products or geographical areas will vary over time. According to the newly developed process as found in our DD Framework, all regions will be evaluated from a risk-based perspective including human rights and labor breaches. The risk analysis is a key part of our second step in the due diligence process for suppliers, aimed at identifying negative impacts. Our due diligence efforts will focus on those suppliers, materials, products, and/or services identified as higher risk through this assessment. Epiroc has previous experience in developing risk analysis processes related to negative impacts for upstream value chain workers. For example, we perform risk assessments and place heightened due diligence efforts on products containing conflict minerals.

Our risk analysis will be continuously updated based on changes in our supply base, external developments on inherent potential negative impacts for geographies, and/or materials, and other new information.

In 2024, a high-level risk analysis was conducted for indirect sourcing categories, identifying potential negative impacts on upstream value chain workers and flagging higher-risk products and services in specific regions. Solar panels were highlighted as a high-risk goods category, leading to a review of our solar panel suppliers.

Services like cleaning, canteen, and security in high-risk countries were also noted as high risk and will be targeted in further due diligence efforts in coming years. The conducting of these risk assessments has been formalized into a global process owned by the responsible sourcing team.

Own audits for new and existing suppliers
Our responsible sourcing team supports Epiroc's local purchasing teams in performing Epiroc's own audits for new suppliers. These audits include quality, safety, health, social, and environmental issues. All new suppliers in high-risk countries must undergo these audits.

The responsible sourcing team also selects a number of sustainability audits for the existing supply base each year. The supplier evaluation process examines:

- Labor issues: Rejection of forced, compulsory or child labor, elimination of discrimination, safeguarding of employee health and safety, fair wages, decent working hours, collective bargaining rights.
- Environmental performance: Managing waste, minimizing emissions, and reducing consumption of natural resources.
- Human rights issues: Respect for human rights in operations.

The pilot program of third-party audits described above was initiated in 2024 as an addition to our own audits.

For both our own sustainability audits as well as the third-party audits, we have a corrective action plan process for addressing any findings.

Conflict minerals procedure
To support our policy regarding sourcing of minerals that may originate from conflict-affected or high-risk areas, we have a procedure to provide practical guidance on conducting due-diligence to ensure Epiroc products are conflict-free. The procedure provides instructions and tools on how to carry out and document a supply chain due diligence review in order to comply with relevant and applicable legislation, regulations and other obligations. The tools and related conflict minerals procedure are built on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as on the tools of the Responsible Minerals Initiative (RMI) of which Epiroc is a member.

This procedure includes identifying suppliers of commodities likely to contain 3TG, requesting these suppliers to complete a conflict mineral reporting template (a standardized reporting template from RMI), and evaluating their responses. Supplier responses are accepted based on specific conditions. Information about the presence and origin of 3TG in Epiroc products is consolidated and shared with interested parties. Suppliers are also required to exercise due diligence following the OECD guidelines according to our BP CoC.

The RMI is a utilized resource for companies from a range of industries addressing responsible mineral sourcing issues in our supply chains. The RMI provides a good platform for knowledge sharing and increased collaboration while at the same time providing tools and resources to make sourcing decisions that improve regulatory compliance and support responsible sourcing of minerals from conflict-affected and high-risk areas.

Sourcing due diligence training
In 2024, a process was established to train all newly acquired companies on Epiroc's sourcing due diligence processes and supplier requirements. This ensures that new suppliers that are brought into our systems due to an acquisition understand and comply with our due diligence processes, thereby upholding the rights of upstream value chain workers.
This training will be conducted regularly. Additionally, the responsible sourcing team plans to offer due diligence and human rights training to relevant internal and external stakeholders. This training, set to begin in 2025, will be held regularly to ensure all stakeholders involved in implementing our DD Framework can effectively identify, prevent, mitigate, and stop any negative impacts on upstream value chain workers.

Workers in downstream value chain
To support our customers and their workers downstream in our value chain, we provide solutions that improve their productivity, health and safety. We have a long history of autonomous and remote-controlled equipment, making it possible to remove operators from dangerous areas in the mine or at the construction site. Read more about our work with product safety in ESRS S4.

Battery-electric underground equipment generates less heat, noise and vibrations when in use. This significantly improves working conditions for people on site. Read more about our work with battery-electric products in ESRS E1.

Business Partner CoC compliance
Epiroc's local management are responsible for evaluating their indirect sales channels according to the BP CoC requirements. All business partners must sign and adhere to the policy, see above.

Responsible sales assessment
The RSA policy requires the customer centers and divisions to find mitigating measures if potential risks within human rights, corruption and environment are identified. If risks are identified, the responsible customer center and division creates an action plan outlining the steps Epiroc shall take to minimize these risks, along with deadlines for completion. The action plan is monitored until all risks are mitigated.

Metrics and targets

With reference to

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Two of our long-term 2030 goals relate to workers in the value chain:

- Have all business partners comply with our BP CoC
- RSA Process implemented

We also have yearly targets established, to measure and follow up on milestones needed to reach our 2030 goals. The targets are integrated into our annual target-setting process.

Business Partner Code of Conduct target

Epiroc requires all business partners to commit to follow our BP CoC.

Significant suppliers

We have an annual target of 100% compliance for significant suppliers, measured in number of suppliers. In 2024, 99.6% of significant suppliers confirmed compliance with the BP CoC. We have ended our collaboration with suppliers who did not confirm compliance. In 2024, it was necessary in 28 (18) instances to withdraw from supplier agreements due to cases of non-compliance that were not adequately addressed.

We work with over 2 401 significant suppliers globally. 28 suppliers phased out, or planned to be phased out at year-end, have been excluded from the number of significant suppliers.

The scope of significant suppliers includes all suppliers of goods and services, direct and indirect, with a purchasing value above EUR 100 000, based on 12-month values from January 2024 to December 2024. Suppliers are also deemed significant when they are located in high-risk countries and have a purchasing value above EUR 12 500, based on 12-month values from January 2024 to December 2024.

We plan to phase out direct suppliers who have not signed the BP CoC. Indirect suppliers, mainly landlords, are harder to phase out due to long contracts and relocation impracticalities which also include negative impacts on other sustainability areas, such as increased resource use and CO_2e emissions when adapting facilities.

	2024	2023
Significant suppliers, number	2 401	1 811
Significant suppliers asked for commitment to the Epiroc BP CoC, number	2 401	1 811
Significant suppliers that confirmed compliance with the Epiroc BP CoC, number	2 391	1 809
Significant suppliers that confirmed compliance with the Epiroc BP CoC, %	100	100

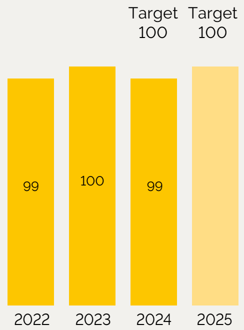
Indirect sales channels

All indirect sales (IDS) channels, including but not limited to distributors, resellers, wholesalers, retailers, traders, catalogue houses, agents, sales representatives, and consultants promoting sales, are required to adhere to our BP CoC. We evaluate our IDS channels through a comprehensive due diligence process. For significant IDS channels, which represent the largest share of purchasing expenditure and operate in high-risk countries, we ensure they have confirmed compliance with our BP CoC. We apply stricter criteria for those operating in countries with the highest risk of corruption, environmental, and human rights violations. These are identified using a third-party risk analytics firm. For the year 2024, the total number of significant IDS channels was 273 (255).

Responsible Sales Assessment process implemented

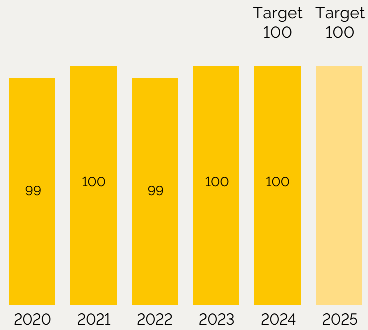
During 2022, a baseline was established to measure our progress toward the 2030 goal of having the RSA process fully implemented. In 2024, 100% of the customers in scope for the RSA process have been assessed due to increased awareness and trainings. We will continue to focus on strengthening the process and its quality.

Significant indirect sales channels (IDS) that confirmed compliance with Epiroc Business Partner Code of Conduct, %



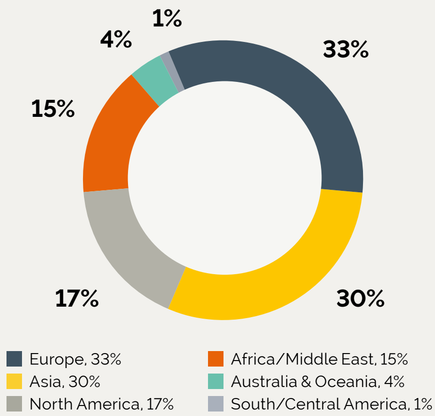
The target for 2024 was 100% and the result was 99% (100) due to two new IDS channels being added late in the year, preventing the completion of their BPCoC signing within the 2024 financial year. The result excludes one larger acquisition. A process is in place to ensure 100% compliance by the end of 2025.

Significant suppliers that confirmed compliance with Epiroc Business Partner Code of Conduct, %



The target for 2024 was 100% and the result was 100% (100). We plan to phase out direct suppliers who have not signed the BPCoC. Indirect suppliers, mainly landlords, are harder to phase out due to long contracts and relocation impracticalities.

Significant suppliers, geographical spread, %



Target for sustainability audits

The sustainability audits managed by Epiroc's internal responsible sourcing team cover safety, health, social, and environmental issues. By assessing our suppliers' performance on these areas, we work to ensure that the principles in our BP CoC are upheld.

Starting in 2024, a new process for establishing the target for the number of audits to be performed has been implemented and approved by the Responsible Sourcing Council, a council consisting of purchasing managers from different regions and divisions. Based on spend data, each facility is assigned a number of audits to be performed at their suppliers. 20% of these audits per facility shall be decided by the responsible sourcing team, who make their selections based on their social and environmental risk assessment.

Sustainability audits

	2024	2023
Total audits	270	258
Performed on-site	222	200
Performed digitally	48	58
Approved	245	245
Conditionally approved	24	10
Not Approved	1	3

Conflict minerals and cobalt

In 2024, 207 (224) relevant suppliers were requested to declare the origin of 3TG present in their products. 58% (75) of the suppliers of products containing 3TG responded. 430 (400) smelters of 3TG were identified by our suppliers, none of which finance armed groups in the DRC.

Although it is not yet a regulated metal, cobalt is still in focus for Epiroc. In 2024, 39 (44) suppliers of products including cobalt were asked to declare the origin of the cobalt included in the products, to get an understanding of supplier awareness. About 41% (52) of the suppliers asked responded.

	3TG	Cobalt
Suppliers asked	207	39
Suppliers responded	121	16
Smelters identified in supply chain	430	42

ESRS S3
Affected communities

Section	Connected disclosure requirements	Page reference
Affected communities impacts, risks and opportunities	SBM-3	83-88, 132
Policies for affected communities	S3-1	133
Processes for engaging with affected communities	S3-2	133
Processes for remediation and channels to raise concerns	S3-3	133
Actions and resources	S3-4	134
Metrics and targets	S3-5	134

Affected communities impacts, risks, and opportunities

With reference to

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

As a global company with customers active in mining and infrastructure sectors, as well as sourcing of metals and minerals in our upstream value chain, we acknowledge the possible risk that our operations, products, services, and business relationships may impact local communities. In our double materiality assessment, we considered all communities that may be materially impacted by our operations or value chain activities, including communities of indigenous peoples. We recognize that indigenous communities require particular consideration as they may be disproportionately vulnerable due to their close ties to land and natural resources.

The identified material impacts concern our customers as communities near our customers' sites could be impacted. However, mine sites involve numerous suppliers and Epiroc is one of many.

We define risk markets using environmental, human rights and corruption criteria from a third-party risk analytics firm. Examples of risks covered are land, property and housing rights, and indigenous peoples' rights. Doing business ethically is important for Epiroc and we follow our Code of Conduct (CoC) and Responsible Sales Assessment (RSA) process.

Material impacts, risks and opportunities	Description

Affected communities' rights

If communities in high-risk areas are negatively impacted by customers' activities, there can be a risk that human rights are not respected		
Potential negative impact		
		Downstream
Short-term	Medium-term	Long-term

If communities in high-risk areas are negatively impacted by customers' mining and infrastructure activities, it can harm Epiroc's reputation		
Risk		
		Downstream
Short-term	Medium-term	Long-term

We have customers in around 150 countries, and they need to perform their operations, conduct land acquisitions, manage security and handle environmental impacts in a manner that respects human rights and the well-being of local communities, including indigenous peoples. Potential challenges and negative impacts include community displacement, inadequate housing and sanitation and health issues from chronic pollution. These may arise from systemic problems or isolated incidents, such as environmental accidents or a business partner's disproportionate security response to protesters.

If communities are negatively impacted by mining and infrastructure activities and human rights are not respected, it can affect our business by damaging our reputation, leading to customer loss and stock devaluation. Geographically, these risks are primarily located in conflict-affected areas and high-risk regions with a heightened risk of human rights violations.

Ensuring that our operations and customers adhere to human rights standards is important for maintaining our market position and customer confidence.

Policies for affected communities

With reference to

S3-1 Policies related to affected communities

Our **Code of Conduct (CoC)** (read more in ESRS G1) states that we strive to be a good and reliable corporate citizen, observing the spirit as well as adhering to the laws of the countries in which we operate.

We support all internationally recognized human rights and respect those rights in conducting our operations throughout the world. We are committed to implementing the UN Guiding Principles on Business and Human Rights (UNGPs) throughout our business operations. We strive to avoid infringing the human rights of others and to address adverse human rights impacts with which we are involved. We shall, in all contexts, seek ways to honor the principles of internationally recognized human rights, even when faced with conflicting requirements.

Our **Business Partner Code of Conduct (BP CoC)** (read more in ESRS S2) states that Epiroc strives to be a good and reliable corporate citizen and expects our business partners to be the same. Among other things, our business partners must:

- Respect all internationally recognized human rights standards including the UN Universal Declaration of Human Rights and the principles in the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and subsequent core convention.
- Exercise due diligence following the OECD due diligence guidelines if providing parts, products or raw materials that contain one or more conflict minerals, and sourcing from conflict-affected and high-risk countries.

Epiroc's **Responsible Sales Assessment Policy** (read more in ESRS S2) is a tool for complying with the CoC commitment to support all internationally recognized human rights and respect the same in conducting Epiroc's operations throughout the world. The scope of the RSA is i) to know our customers, ii) to understand potential risks in violation of human rights, corruption and environmental impact and iii) to find mitigation measures for these potential risks.

Epiroc's **Sustainability Policy** (read more in ESRS E1), states that we want to contribute to the sustainable development of society, taking into account both people and the planet. We support and are committed to helping accelerate the implementation of the Paris Agreement and the UN Sustainable Development Goals. We are a signatory to the UN Global Compact and fully support the 10 principles in the areas of human rights, labor, environment, and anti-corruption. We choose to work with business partners with high ethical standards and that follow our BP CoC. We work in close collaboration with our stakeholders to find solutions for global sustainability challenges. This includes building a common sustainability agenda and maintaining strategic partnerships across our value chain. The Sustainability Policy further refers to our CoC.

Processes for engaging with affected communities

With reference to

S3-2 Processes for engaging with affected communities about impacts

Our identified material impacts include mining activities in our downstream value chain. The purpose of our RSA process includes knowing our customers in order to understand potential risks of violation of human rights, corruption and environmental impact and to find mitigation measures. The RSA incorporates questions on how our customers are engaging with affected stakeholders.

We also engage and support our local communities in different ways. Our Sponsoring and Community Engagement Policy includes guidance on how to engage in community activities, charity or sponsoring projects locally. We encourage learning and development through cooperation with local communities and believe that this will help to maintain the sustainable development of our business and contribute to developing communities. We have selected three focus areas of engagement; i) mining and construction solutions, ii) education and iii) skills development. Selected projects should always comply with the ethical guidelines and principles outlined in our CoC and additional principles should be followed when we are selecting which community engagements to support.

Actions and resources

With reference to

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

According to the UNGPs, our responsibility is to ensure that we do not cause or contribute to adverse human rights impacts through our own activities. We should also seek to prevent or mitigate adverse impacts that are directly linked to our operations, products, or services by our business relationships. With regard to where in our value chain our material IROs are placed, our customers and suppliers have significant responsibilities. However, our company still has a role to play in ensuring that human rights are respected throughout our value chain.

Responsible Sales Assessment

Our RSA process enables us to gain insights about our customers, their reputation, and their standing within their local communities. We investigate concerns and potential risks related to the violation of human rights, corruption, and environmental impact, as well as their effects on the communities where they operate. Identified risks and issues are addressed by implementing mitigating actions. Epiroc does not enter into a business relationship if significant risks are identified during the assessment. We also terminate a business relationship if significant risks are identified or reported during the course of a relationship.

Metrics and targets

With reference to

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

RSA target

One of our long-term 2030 goals relates to affected communities downstream, with the target of 100% implementation of the RSA process. Read more about the results under Metrics and targets in ESRS S2.

ESRS S4
Product safety (consumers and end-users)

Product safety impacts, risks and opportunities

With reference to

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Safety is an always present and important topic for mining and construction companies. As a business-to-business manufacturer of mining and infrastructure equipment, our products and services directly impact professional end-users operating our equipment. These end-users can be exposed to potential health and safety risks and it is critical to support customers to improve safety and wellness both for the end-users (operators) and their colleagues. They rely on clear manuals and instructions for safe use of the equipment.

Through customer dialogues, we develop an understanding of how different end-user groups may face greater product risks. All materially impacted end-users are included in the scope of our disclosures. These users are employed by our customers or Epiroc. For more information about our own employees, see ESRS S1. Identified material IROs in this section only cover the area of product safety.

Material impacts, risks and opportunities			Description
Product safety			
Misuse of products and defective products can risk customer health and safety			Customers expect maximum productivity from equipment and operators. The operators and technicians, however, work in challenging conditions that pose safety risks. To support our customers in meeting their productivity targets while prioritizing safety, we consider product safety in every aspect of the product lifecycle. From design and development to production, testing, services, and customer support. Every department prioritizes safety. Despite all safety measures, accidents can still happen. We investigate and take action on every individual incident communicated to us.
Potential negative impact			
		Downstream	
Short-term	Medium-term	Long-term	
Misuse of products and defective products can risk liability and lead to reputational damage			Misuse of products or defective products can result in liabilities such as recalls, legal action, injury compensation, and higher insurance costs, negatively impacting Epiroc's reputation, profitability and customer confidence. To mitigate this risk, we work closely with customers on risk management, accident and incident reporting, training and change management, to promote best practices among equipment operators and service technicians. There are some general concerns that batteries can be unsafe and unreliable, which might discourage some customers from choosing battery products. To mitigate these concerns, we have developed a battery solution with advanced safety features, and we continuously invest in R&D to further enhance battery safety as well as perform training to teach customers about the safety of battery-powered equipment.
Risk			
		Downstream	
Short-term	Medium-term	Long-term	
Safe solutions can increase Epiroc's competitiveness and stakeholder satisfaction			Safe solutions with a focus on preventive measures uphold our commitment to deliver high-quality and reliable equipment designed for safe operations in challenging environments. These measures preserve customer confidence while enhancing Epiroc's competitiveness, business opportunities, and stakeholder satisfaction.
Opportunity			
		Downstream	
Short-term	Medium-term	Long-term	

Policies for product safety

With reference to

S4-1 Policies related to consumers and end-users

Epiroc's **Product Safety and Liability Policy** establishes procedures to incorporate safety best practices, regulatory requirements, and lessons from incidents and audits into product design and manufacturing. It aims to ensure product safety while optimizing functionality, sustainability, and cost-effectiveness across all divisions, with the overall goal of producing safe and efficient products. The policy also includes the steps to follow in the case of an incident or accident involving or relating to Epiroc equipment.

The policy relates to the identified material negative impact and risk. It applies to all products designed, manufactured, assembled, imported, exported, shipped or supplied by, or on behalf of, any company within the Epiroc Group.

SVP General Counsel has the overall responsibility for ownership of the policy, while each divisional President is responsible for implementing it within their division and ensure reporting of performance to the Group every year. At a local level, General Managers for each legal entity are responsible for ensuring that local procedures are in place, well known, followed and maintained to fulfill the guidelines and procedure in the policy.

Our **Code of Conduct (CoC)** (read more in ESRS G1) states that we provide innovative, safe, and sustainable solutions. Therefore, all products and processes shall be evaluated from a quality, safety, health, and environmental perspective to meet the demands of our customers, reflecting our commitment to ensure product safety across the value chain.

Epiroc's **Sustainability Policy** (read more in ESRS E1) mentions that we work closely with customers regarding risks and incidents to provide safe solutions that meet customer demands and expectations.

Epiroc Safety and Health Principles (read more in ESRS S1) state that customer safety is our top priority. Our approach to product safety encompasses the entire lifecycle, from the development of new products to addressing issues with products already in use. These principles guide our actions and decisions regarding product safety.

Our commitments and approach to human rights for our customers are the same as for our own workers and workers in our downstream value chain, stated in our CoC and in our Business Partner CoC. For more details, see ESRS S1 and S2. All policies are available for all internal stakeholders in the Epiroc Way.

Processes for engaging with customers about impacts/product safety

With reference to

S4-2 Processes for engaging with consumers and end-users about impacts

Epiroc has sales in around 150 countries and local teams in customer centers (CCs) in more than 60 countries, which are the key points of contact for customers. This regionalized approach allows Epiroc to stay responsive to specific risks in different markets and pursue opportunities for local partnerships and innovation.

CCs consistently engage with customers to understand their business needs, the associated risks and local safety and regulatory standards and targets. This engagement allows us to develop or customize products that help the customers meet their productivity targets while prioritizing their safety. We gather regular feedback through ongoing dialogues, annual surveys and customer experience forms, which helps us continuously improve. These customer touch points not only help us focus on product safety, but they also inform us about our efforts in areas such as responsible business practices and climate change.

Processes for remediation and channels to raise concerns

With reference to

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Epiroc ensures that any concern about product safety is addressed through formal investigations and corrective actions. Our Product Safety and Liability Policy outlines processes for remediating negative impacts and allowing our customers to raise concerns.

Each division, product company (PC) and CC has a product safety committee with the responsibility for coordinating and guiding efforts to prevent and correct risk of injury to persons when using products. The committees are cross-functional and organized with members having authority to take decisions. Any incident in the field, indications of inappropriate design (including non-compliance with local safety laws), manufacturing or workmanship, would trigger the product safety committee to act as per the defined process. In the case of significant incidents (e.g., serious injury, death, or substantial property damage), the divisional President and the legal and insurance function gets involved. During this product safety process, if urgent information needs to be communicated to a customer to prevent further incidents, an appropriate document is immediately drafted in consultation with the legal team. These notices are given the highest priority.

Safety information is communicated to customers through safety notices, technical service news bulletins (TSNB), campaigns, or recalls, prioritizing cases with risks of critical incidents.

There are several channels through which customers can reach out or raise concerns about product safety or other issues. Our global network of CCs helps address local safety and regulatory requirements. The CCs are in close contact with customers to understand their concerns and to provide quick solutions when possible. When Epiroc takes necessary corrective actions in the field, such as recalls or upgrades to affected products, customers are notified of these actions and can engage with Epiroc for further information or assistance.

Actions and resources

With reference to

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Our product safety approach spans the entire lifecycle, from development of new products to ensuring the safety of those already sold. We offer several solutions to improve safety and to avoid high-risk incidents, such as automated drilling, loading and hauling, to remove operators from hazardous processes. Some of our efforts towards achieving measurable safety gains through continuous innovation are described below. Additionally, all equipment is delivered with comprehensive safety instructions and warnings.

Throughout the year, we acquired several companies that will further enhance our product safety, including solutions enabling safe and efficient change of attachments. Read more on pages 22-23.

Live Work Elimination

Epiroc has been running the Live Work Elimination (LWE) program since 2020. This initiative is a collaborative effort involving our customers, R&D, service teams, etc. The program strives to eliminate live work using technology, thereby making operations safer for both customers and employees. In 2024, we further expanded our LWE product portfolio.

There are three key perspectives in the LWE product portfolio. The first is to prolong the product life and reduce the frequency of risk exposure, minimizing the likelihood of operators and technicians encountering hazards. Epiroc proactively identifies material risks during the product design phase, ensuring compliance with the highest safety standards and environmental regulations. This process involves consulting with product safety committees and divisions to anticipate and mitigate potential hazards in advance.

The second perspective is remote diagnostic tools that help reduce the potential for injury. Thirdly, the constantly evolving technology offers new opportunities to remotely complete tasks that otherwise could expose people to hazards. Here, new developments in equipment design and automated solutions are a key.

Automation

By automating critical manual tasks, Epiroc reduces human intervention, minimizing the risk of errors and accidents. Our advanced automation solutions integrate software, hardware, and services to deliver a comprehensive system that not only boosts efficiency but also enhances safety by removing operators from hazardous environments.

We offer remote control systems, which allow operators to control machines from a safe distance. This reduces operator fatigue, prevents repetitive stress injuries and provides added protection in high-risk areas. Some examples of remote-control systems are tele remote solutions where machine operators are relocated to a secure control room, as well as fleet management platforms that enable mission control and traffic management for a mining equipment fleet, with system operators supervising remotely.

We also offer fully autonomous solutions for both drilling, loading and haulage, both for surface and underground applications. We are collaborating with our customers to develop our solutions further. One collaboration with Boliden, Algoryx and Örebro University is pioneering a project with the goal of achieving fully autonomous mining. The project, launched in 2023, uses a digital twin of a mine – a virtual replica of the mining environment – for simulated testing and machine learning, which reduces the need for physical testing.

Digitalization

Digitalization provides valuable insights by gathering and managing data generated across operations in different systems. Some key digital solutions and their impact on product safety include:

Situational awareness offers situational awareness for both personnel and assets through real-time data and 3D visualization. Personnel in the control room can visualize the whole mine or tunnel and improve daily mine safety by making it possible to send zone-based messages. With this heightened awareness, faster reactions are possible. One example is the mobile safety solution project, a collaboration between LKAB and Epiroc, involving both existing products from Epiroc and new development.

Titan Collision Avoidance System enhances safety in mining operations by addressing collision risks involving vehicles, obstacles, and pedestrians. It detects and alerts vehicle operators and pedestrians of each other's presence, and ultimately it stops vehicles to avoid collisions with people and other vehicles.

Blast support is a digital decision support tool to ensure improved personnel safety at blasting. It uses 3D visualization with open space positioning, giving the control room an overview of everyone's location. Hazardous areas, such as blast areas, zones with a risk of falling rocks or with a risk of land slide, can be defined on the 3D map.

Customer training

We work closely with customers on learning and change management to promote best practices among equipment operators and service technicians. We provide equipment training for operators and service technicians, and we have developed a learning portal for customer operator training.

Our Rig Control System (RCS) trainer allows a user to start and stop RCS-simulation software on a desktop, enables preparation and training without having to access the machine, without interfering with valuable production time and improves skills faster. The RCS-simulation software can emulate different machine types and options.

Battery safety

Our battery-electric equipment and batteries are designed with modularity and safety in mind, allowing each battery component to be monitored and controlled separately. Their stable design makes them ideal for harsh environments. Our safety precautions for batteries include protection against internal and external fires, electrical protection and rock fall protection.

Read more about our battery solutions on pages 28-29.

Metrics and targets

With reference to

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Our approach to work with product safety throughout the entire lifecycle, from developing new products to ensuring the safety of those already sold, helps ensure product safety. Safety issues on already delivered products are tracked through safety campaigns consisting of appropriate actions and information. Incidents of non-compliance of voluntary codes are situations where a part needs to be replaced, or a program modified to enhance the safety of the product. 9 (8) incidents for non-compliance with voluntary codes concerning the health and safety impacts of products and services were reported for 2024. There were no incidents of non-compliance resulting in warnings, fines or penalties reported for 2024.

ESRS G1 Business conduct

Section	Connected disclosure requirements	Page reference
Business conduct impacts, risks, and opportunities	SBM-3	83-88, 139-140
Business conduct policies and corporate culture	G1-1	141-142
Prevention and detection of corruption and bribery	G1-3	142-143
Confirmed incidents of corruption or bribery	G1-4	143

Business conduct impacts, risks, and opportunities

With reference to

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Epiroc has sales in around 150 countries, where we adhere to laws and regulations, and uphold high ethical standards. The geographical locations of our sites, suppliers, and customers are crucial for identifying risks. Market complexities and varying environmental, social, and governance laws affect our exposure to sanctions, corruption, human rights, and environmental risks.

Epiroc plays a vital role in society at large, and as such we may be affected by various government actions. However, Epiroc's general policy is to not be actively and directly engaged in lobbying actions related to governments. Instead, we are a member of selected industry trade associations, such as SveMin in Sweden, and we are also member of certain government-led partnerships, notably in the EU, that aim to promote safety and energy efficiency within our industry. We continuously monitor regulatory developments relevant to our industry and operations.

Material impacts, risks and opportunities | **Description**

Protection of whistleblowers

Failure to protect whistleblowers' anonymity can lead to retaliation		
Potential negative impact		
Upstream	Own operations	Downstream
Short-term	Medium-term	Long-term

Lack of protection for whistleblowers can lead to legal and reputational harm		
Risk		
Upstream	Own operations	Downstream
Short-term	Medium-term	Long-term

Protecting whistleblower anonymity and confidentiality is crucial for maintaining a transparent and ethical business environment. Failure to do so could lead to retaliatory actions against whistleblowers, fostering a culture of fear and silence among employees. This may result in prolonged unethical practices affecting workplace safety and compliance, legal liabilities, fines, and reputational damage, while hindering the identification and prevention of wrongdoing.

This risk impacts all levels of our value chain, particularly internal operations, and employee interactions, and may extend to our relationships with business partners who need to trust our commitment to ethical conduct and transparency.

To ensure whistleblower anonymity and confidentiality and to comply with applicable legislation, we have implemented our whistleblower system Speak Up. Our whistleblower policy and system are evaluated regularly to ensure protection of whistleblowers.

Material impacts, risks and opportunities	Description

Corporate culture

Non-adherence to our Code of Conduct internally may cause unequal treatment and harassment		
Potential negative impact		
Upstream	Own operations	Downstream
Short-term	Medium-term	Long-term

Unhealthy culture could hinder talent attraction, productivity, and innovation		
Risk		
	Own operations	
Short-term	Medium-term	Long-term

A potential risk is failing to effectively engage employees, including those from newly acquired entities, in embracing our corporate culture, ethics, and adhering to our policies. This challenge could lead to integration difficulties, unequal treatment, and harassment within our operations and in relationships with suppliers and customers.

A large part of our success is based on sustainability, compliance, a strong corporate culture and a constant desire to continuously improve. Our growth strategy, which includes acquisitions, necessitates careful management of our own corporate culture across all operations as well as the corporate culture of the companies that we acquire. If not addressed, these issues could result in financial impacts such as operational inefficiencies, reduced employee morale and productivity, difficulties in talent attraction and retention, potential legal non-compliance, and reputational damage to the Epiroc brand.

To mitigate these risks, we implement comprehensive onboarding, integration programs and mandatory compliance training that emphasize our ethical standards and corporate culture. Acquired companies are given access to the Epiroc Way, which is the management system for Epiroc, outlining all documents and processes for how Epiroc conducts business. Acquired companies are normally also ISO certified within two years.

Corruption and bribery

Corruption or bribery can lead to legal consequences and hinder social development		
Potential negative impact		
Upstream	Own operations	Downstream
Short-term	Medium-term	Long-term

Corrupt behavior may cause financial loss/fines and damage reputation		
Risk		
Upstream	Own operations	Downstream
Short-term	Medium-term	Long-term

Corruption, bribery and any unethical business practices hinder economic and social development, erode trust in institutions and damage business environments. As a global company, we face corruption and bribery risks across our value chain, particularly in regions with weaker institutions. Certain roles such as managers, sales and sourcing employees, as well as interaction with third parties, imply increased exposure to these risks. To mitigate these exposures, we implement specific mitigating activities, including targeted training and risk assessments.

Any instance of corruption could lead to legal and financial consequences, damage our reputation, and hinder social progress. Recognizing these risks, we maintain a strict anti-bribery and anti-corruption stance to protect our integrity, performance, and the communities we serve. Our commitment to ethical practices is crucial for sustainable development, compliance and responsible business conduct in all our operations worldwide.

We have zero tolerance for corruption and bribery. This is stated in our Code of Conduct (CoC) and Business Partner CoC. All our business partners are required to confirm compliance with the Business Partner CoC.

Business conduct policies and corporate culture

With reference to

G1-1 Business conduct policies and corporate culture

Code of Conduct (CoC)

Epiroc's CoC summarizes our vision and core values and what we stand for. It outlines the appropriate business conduct and expected behaviors we all must follow to live up to the high ethical standards and integrity we hold ourselves to.

It is based on applicable law and internationally recognized principles for how companies should conduct business responsibly. It summarizes the policies that apply to all companies in the Epiroc Group. It sets out important principles and outlines the channels through which we can raise a concern or obtain guidance. It guides our relationships with stakeholders, helping us maintain our reputation and continue to earn their trust every day.

The CoC defines how we should approach multiple sustainability matters and relates to material IROs identified in ESRS S1, S2, S3, S4 and G1.

Epiroc is a signatory of:
- UN Global Compact (UNGC)

Epiroc is committed to conducting its business in accordance with:
- UN Guiding Principles on Business and Human Rights (UNGP)
- UN Universal Declaration of Human Rights
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- OECD's Guidelines for Multinational Enterprises
- UN Sustainable Development Goals (SDGs)
- UN Convention against Corruption
- The Rio Declaration on Environment and Development

These commitments are reflected in Group policies, procedures and public policy work.

The CoC is designed to help all Epiroc employees, including everyone acting on behalf of Epiroc, to do the right thing. It is applicable to situations that may occur in our workday and sets the principles for interactions with our stakeholders.

The President and CEO approves the CoC. The Epiroc Compliance Board and Group Compliance have an oversight role, and our divisions and local management drive the implementation of our CoC and our compliance governance framework at local level. Each manager is responsible for the implementation, day-to-day reinforcement and follow-up. It is the responsibility of each employee to make themselves familiar with and follow the CoC and be committed to living our values.

The CoC is reviewed regularly by VP Group Compliance and VP Sustainability and approved by the President and CEO. External stakeholders can access our CoC via our Group website, https://www.epirocgroup.com/en/sustainability/code-of-conduct.

Training and awareness

Translations, questions and answers, and other relevant materials are developed to support employees in understanding and adhering to our CoC. Mandatory annual CoC E-learning, to be completed by all employees, is available in twelve languages. The training includes all areas in the CoC, with ethical dilemmas, some inspired by actual situations in Epiroc, to deepen our employees' understanding and allow them to practice how to solve challenging situations. As part of completing the training, employees must also certify compliance with our CoC. Managers hold employees accountable for completing CoC training requirements.
To ensure CoC compliance we continue to focus on training and raising awareness throughout our decentralized organization.
In addition to the CoC training, we provide risk based in-depth training e.g. on trade compliance, anti-trust, anti-bribery and data privacy.

Corporate culture

Epiroc's vision "Dare to think new" drives us to challenge our ways of working, thinking, and acting to find new, effective, and sustainable solutions. This vision is embedded in our value-creating strategy. Our values are integrated into our Hire-to-Retire processes - from recruitment and onboarding to performance development and leadership programs.

We promote our culture through ongoing communication and collaboration events for all our employees, such as Epiroc Day and Career Days. We foster an inclusive environment where everyone can develop, grow professionally, and build a career. Read more in ESRS S1.

Our CoC, supplemented by other policies, for example our Sustainability Policy and Speak Up Policy, provides direction for making ethical decisions and maintaining integrity. Given the varying laws and conditions across our regions, the CoC guides ethical business practices, promotes positive social and environmental impact, and supports a Speak Up culture.

Epiroc conducts an annual employee survey to measure engagement and capture employees' perceptions of our management. The survey includes a leadership index based on responses related to leadership expectations. Epiroc places a high focus on safety culture and behavior, exemplified by the Safety Pulse Survey conducted in 2024 to further strengthen safety practices. Metrics such as sickness levels and employee voluntary turnover indicate how employees experience their environment.

By integrating these elements into our operations, Epiroc ensures that our corporate culture is continuously developed, promoted, and evaluated to align with our vision and strategic goals. All policies and related documents and processes are accessible to employees via our management system the Epiroc Way.

Speak Up - our whistleblower system

Employees and external parties are encouraged to report violations of laws, regulations, or Group policies. To facilitate reporting, we have the Epiroc Speak Up system, managed by Group Compliance. This is a third-party phone and web-based reporting tool, allowing open or anonymous reporting of concerns in local languages. The Speak Up system can be used to report information, acquired in a work-related context, on misconduct in violation of applicable laws (including European Union law), other irregularities in respect of which there is a public interest, violations of the Epiroc CoC, Epiroc Business Partner Code of Conduct or Group policies. For example, issues such as fraud and corruption, conflict of interest situations, non-compliance with environmental laws, health and safety issues, violations of human and labor rights, harassment, and diversity issues.

Reporting in Speak Up is open to all employees, business contacts, applicants, volunteers, trainees, self-employed persons, persons working under the supervision and control of customers, contractors, sub-contractors, suppliers or other undertakings or bodies, shareholders, persons who are members of administrative, management or supervisory bodies or available for such positions.

In addition to the Speak Up system, employees have other reporting channels available to them. They can directly approach their manager, their manager's manager, the local HR representative, or internal resources within Compliance or Legal departments. These internal channels are the most common way for employees to raise concerns.

As a learning organization, we embrace the lessons learned from the issues and concerns raised to us. In the Speak Up process, receipt of report will be acknowledged within seven days, and impartial investigator(s) will be designated to investigate reported issues and provide feedback to the reporting person on the outcome of the investigation and potential actions taken, preferably within three months, as was the case in 77% of closed cases in 2024. The Compliance Board is provided with an overview of the matters handled in Speak Up, the outcome of the investigations and any actions taken, on a quarterly basis.

Epiroc is subject to the EU Whistleblowing directive (Directive 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law). By implementing the Speak Up policy, the directive is adhered to.

Speak Up policy

The purpose of this policy is to describe the reporting channels that Epiroc offers for receiving reports with information on misconduct. It includes information about what can be reported, how reports are handled, who can report and how. The policy relates to the IROs under the material topic Protection of whistleblowers.

The policy applies to all Epiroc entities. The manager of each entity is responsible for translating the policy into the local language and sharing it with the organization by publishing it on the intranet and other relevant platforms. The policy is reviewed annually by VP Group Compliance and approved by SVP General Counsel.

Epiroc will not tolerate retaliation against any employee for reporting an ethics or compliance issue or for participating in an investigation in good faith. The Speak Up policy states that Epiroc will not hinder reporting persons from reporting information, nor retaliate against them, those assisting them, related third parties (like colleagues or relatives), associated legal entities, or for consulting with their labor union.

Training and awareness

The Speak Up system is an integral part of the CoC and is highlighted in the mandatory annual CoC training for all employees. The system is widely recognized, with reports being received from all regions of our global operations. Information about Speak Up is displayed on posters at all sites and published on both the internal and external websites. For those without internet access, Speak Up can also be reached via phone, ensuring all employees have access.

In 2024, the system was upgraded to a new platform with enhanced features, such as better possibilities for statistics e.g. based on more detailed misconduct categories, additional outcome categories, etc. The investigation process is being streamlined with Group Internal Audit and Assurance, alongside updates to the Speak Up Policy, Investigation Guidelines, and potential new investigator training materials.

Prevention and detection of corruption and bribery

With reference to

G1-3 Prevention and detection of corruption and bribery

As a global company, Epiroc must follow the anti-bribery and anti-corruption laws and regulations of every country in which we operate, such as the US Foreign Corrupt Practices Act (FCPA), the French Sapin II law, and the UK Bribery Act. We are an active member of the Swedish chapter of Transparency International.

We have zero tolerance for corruption and bribery. This is stated in our CoC and Business Partner CoC. All our business partners are required to confirm compliance with the Business Partner CoC. Firm actions will be taken on any violation.

The investigation process for allegations or incidents related to corruption and bribery is designed to ensure independence from the management chain involved in the matter. This independence is facilitated by the anonymity provided by the Speak Up system. Additionally, we have Regional Compliance Officers who are empowered to conduct compliance investigations. Furthermore, our Group Internal Audit and Assurance function has the autonomy to initiate any investigations they deem necessary, ensuring an unbiased and thorough examination of the issues.

Regional Compliance Officers monitor anti-bribery and anti-corruption compliance, report risks, incidents and breaches to local management and VP Group Compliance. VP Group Compliance then reports material risks, incidents and breaches to SVP General Counsel, a member of the Epiroc Group Management.

Responsible sourcing is important to Epiroc, and we use a risk-based approach. For our significant suppliers, we track compliance with our Business Partner CoC. Our supplier evaluation process includes examination of our business partners' record of governance, ethics and stance against corruption. In addition, our indirect sales (IDS) channels are vetted in a due diligence process.

We also have a responsible sales assessment process. Its purpose is to better understand and identify mitigation measures for potential risks with regards to human rights, corruption and environment in markets, where Epiroc is present.

Anti-corruption policy

The purpose of this policy is to guide our employees in adhering to Epiroc's principles of abstaining from corrupt practices, never paying or accepting bribes, and competing fairly for business opportunities. It provides information about prohibited actions for employees and third parties, definitions of anti-corruption terms, procedures for reporting policy violations, and the consequences of non-compliance. The policy relates to the IROs regarding corruption and bribery.

The policy applies to all Epiroc employees. Additionally, Epiroc expects its business partners to conduct themselves in an ethical manner consistent with the mandates in this policy and Epiroc's Business Partner CoC.

The General Managers at each Epiroc entity, with support from divisional Presidents, are responsible for fulfilling applicable requirements in this policy and local legal anti-bribery and anti-corruption requirements, in their respective organizations.

The policy is reviewed annually by VP Group Compliance and approved by SVP General Counsel. Epiroc's internal policies and guidelines are published in the Epiroc Way.

Training and awareness

Our Group Compliance function is responsible for implementing compliance programs, including risk identification, policies, training, and digital tools, to manage compliance risks in all countries where we conduct business. This setup ensures an effective control structure within areas such as anti-corruption, third-party due diligence, anti-trust, trade compliance, and data privacy. To ensure comprehensive coverage, in-house lawyers and Regional Compliance Officers support entities with advice on corruption laws and regulations.

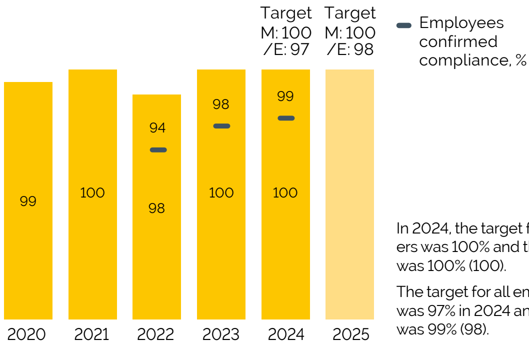
Each employee is responsible for familiarizing themselves with and adhering to the CoC. Our long-term goal is to have all employees comply with the CoC by 2030. This is measured through mandatory CoC training, where employees confirm their compliance upon completion. We also set annual targets.

Besides mandatory CoC training for all employees (covering e.g. anti-bribery and anti-corruption), selected employees are required to complete training relevant to their roles, with specific focus on those exposed to higher risks, such as individuals in management, sales, and sourcing positions. During 2024, mandatory global digital anti-bribery and anti-corruption training was rolled out for certain high-risk groups, including Group Management and all managers, sales staff, and sourcing teams. This training aims to ensure that these key personnel can identify and mitigate bribery risks in their daily operations and will take place every other year.

In addition to the digital training, our Regional Compliance Officers are responsible for providing region-specific guidance and conducting anti-bribery and anti-corruption training. These officers work closely with local teams to address entity-specific risks and ensure compliance with both global policies and local legal requirements.

Epiroc promotes participation in training to ensure that leadership at all levels remains informed and aligned with compliance policies and global best practices.

Managers that confirmed compliance with our Code of Conduct, %
+ Employees that confirmed compliance with our Code of Conduct, %



In 2024, the target for managers was 100% and the result was 100% (100).

The target for all employees was 97% in 2024 and the result was 99% (98).

Confirmed incidents of corruption or bribery

With reference to

G1-4 Confirmed incidents of corruption or bribery

Incidents of corruption or bribery and other violations of Code of Conduct

In 2024, in total 195 (194) cases were reported through Speak Up. 50 of these cases are still under investigation. Out of the total number, 63 cases concern labor relations, 20 fraud and corruption and 57 harassment. 7 cases during the year were deemed material (i.e. risk of regional or group impact). There are no confirmed incidents where employees were dismissed or disciplined for corruption. Additionally, during the year, no convictions or fines for violation of anti-corruption and anti-bribery laws have been reported through our Speak Up line.

Epiroc appreciates the increasing involvement of our employees alerting the company to areas that need improvements in different parts of the organization, be it business conduct, leadership behavior, processes or controls. There is a new Speak Up platform, with improved statistical parameters for, e.g., categorization and outcomes. Furthermore, we can also track the implementation of any disciplinary actions.

If there are any material cases which are reported through other channels these are added manually to the Speak Up system, and will hence be included in the Speak Up data.

Reported potential violations, number

	2024	2023
Fraud and corruption	20	21
Labor relations	63	96
Health & Safety	7	5
Discrimination and Human Rights	6	7
Harassment	57	31
Conflict of interest	19	14
Breach of data privacy	1	0
Security	0	2
Other	22	18
Total	**195**	**194**

Appendix

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The table below illustrates the datapoints in each ESRS that derive from other EU legislation, indicating where they can be found in the sustainability statement and whether they are assessed as material or not material.

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / not material	Page reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/181627, Annex II		Material	59
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	57
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	82
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Material	91
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	89-91
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Material	91
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	97
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	98
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	98
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	98
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	99
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	99
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Material	100
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / not material	Page reference
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Not material	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Material	Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material	Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Material	103-104
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Material	104
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address Deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Material	114
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Material	114
ESRS S1-1 Human rights policy Commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	116
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	116
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	116
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	116-117
ESRS S1-3 grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	118

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / not material	Page reference
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	123
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	123
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Not included this year
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	122
ESRS S1-17 Incidents of Discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	122
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	122
ESRS 2- SBM3 S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Material	125
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	126-127
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	126-127
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	126
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	126
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	Not included this year
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Material	133
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	Not included this year
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	Not included this year
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	136
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material	Not included this year
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Not material	
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Not material	
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	143
ESRS G1-4 Standards of anti-corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	142-143

Auditor's Limited Assurance Report on Epiroc's Sustainability Report and statement regarding the Statutory Sustainability Report

This is the translation of the auditor's report in Swedish.

To Epiroc AB, corp id 556041-2149

Introduction

We have been engaged by the Board of Directors of Epiroc AB to undertake a limited assurance engagement of Epiroc AB's Sustainability Report for the year 2024. The company has defined the scope of the Sustainability Report and Statutory Sustainability Report on pages 76-77.

Responsibilities of the Board and Executive Management

The Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively, according to the previous wording in the Annual Accounts Act that applied before July 1, 2024. The criteria are defined on pages 76-77 in the Sustainability Report and consist of the GRI Sustainability Reporting Standards, as well as the accounting and calculation principles that the company has developed. This responsibility includes the internal controls relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on our limited assurance procedures and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented in this document, and referenced to in the GRI Index available on the company´s website, and does not cover future oriented information.

We have conducted our engagement in accordance with ISAE 3000 (revised) Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's auditing standard REVR 12 The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to REVR 12 are different from and substantially less in scope than reasonable assurance conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies ISQM 1 (International Standard on Quality Management) which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Epiroc AB in accordance with professional ethics for accountants in Sweden and have otherwise filled our ethical responsibilities in accordance with these requirements.

The procedures performed in a limited review and an examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. The conclusion based on limited assurance procedures and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on reasonable assurance.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm, March 20, 2025
Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Outi Alestalo
Expert Member of FAR

Financial information and notes

Content

Group financial information

Consolidated income statement

January - December, MSEK	Note	2024	2023
Revenues	4	63 604	60 343
Cost of sales		-40 658	-37 197
Gross profit		**22 946**	**23 146**
Administrative expenses		-4 531	-4 105
Marketing expenses		-4 250	-3 959
Research and development expenses		-2 282	-1 930
Other operating income	7	628	554
Other operating expenses	7	-106	-508
Share of profit in associated companies	15	-20	-15
Operating profit	**4, 5, 6, 7, 17**	**12 385**	**13 183**
Financial income	8, 9	470	349
Financial expenses	8, 9	-1 416	-1 297
Net financial items		**-946**	**-948**
Profit before tax		**11 439**	**12 235**
Income tax expense	10	-2 683	-2 777
Profit for the year		**8 756**	**9 458**
Profit attributable to:			
– owners of the parent		8 731	9 431
– non-controlling interests		25	27
Basic earnings per share, SEK	12	7.23	7.82
Diluted earnings per share, SEK	12	7.23	7.81

Consolidated statement of comprehensive income

January - December, MSEK	Note	2024	2023
Profit for the year		**8 756**	**9 458**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension plans		204	-387
Income tax relating to items that will not be reclassified		-45	81
Total items that will not be reclassified to profit or loss		**159**	**-306**
Items that may be reclassified subsequently to profit or loss			
Translation differences on foreign operations		1 459	-1 372
Hedge of net investments in foreign operations		251	-
Cash flow hedges		-288	-81
Income tax relating to items that may be reclassified		8	17
Total items that may be reclassified subsequently to profit or loss		**1 430**	**-1 436**
Other comprehensive income for the year, net of tax	**11**	**1 589**	**-1 742**
Total comprehensive income for the year		**10 345**	**7 716**
Total comprehensive income attributable to			
– owners of the parent		10 317	7 706
– non-controlling interests		28	10

Consolidated balance sheet

MSEK	Note	Dec. 31, 2024	Dec. 31, 2023
Assets			
Non-current assets			
Intangible assets	13	25 075	15 843
Rental equipment	14	1 543	1 582
Other property, plant and equipment	14	7 932	6 032
Investments in associated companies	15	34	49
Other financial assets and other receivables	16	2 225	1 649
Deferred tax assets	10	1 576	1 509
Total non-current assets		**38 385**	**26 664**
Current assets			
Inventories	17	19 191	18 747
Trade receivables	18	12 424	10 455
Other receivables	19	3 868	3 093
Current tax receivables		1 059	721
Financial assets	16	1 483	1 703
Cash and cash equivalents	20	7 179	6 401
Total current assets		**45 204**	**41 120**
Total assets		**83 589**	**67 784**
Equity and liabilities			
Equity			
Share capital		500	500
Other paid-in capital		117	105
Reserves		2 193	765
Retained earnings including profit for the year		39 947	35 452
Equity attributable to owners of the parent		**42 757**	**36 822**
Non-controlling interests		423	388
Total equity	**21**	**43 180**	**37 210**
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	22, 23	19 612	11 822
Post-employment benefits	24	201	251
Deferred tax liabilities	10	1 737	922
Other liabilities		165	83
Provisions	27	442	493
Total non-current liabilities		**22 157**	**13 571**
Current liabilities			
Interest-bearing liabilities	22, 23	2 405	2 153
Trade payables	26	5 756	5 902
Current tax liabilities		444	483
Other liabilities	26	9 143	7 951
Provisions	27	504	514
Total current liabilities		**18 252**	**17 003**
Total equity and liabilities		**83 589**	**67 784**

Consolidated statement of changes in equity

2024	Equity attributable to owners of the parent							
MSEK	Share capital	Other paid-in capital	Translation reserve	Cash flow hedge	Retained earnings	Subtotal	Non-controlling interests	Total equity
Opening balance, Jan. 1	**500**	**105**	**735**	**30**	**35 452**	**36 822**	**388**	**37 210**
Profit for the year	-	-	-	-	8 731	8 731	25	8 756
Other comprehensive income for the year	-	-	1 456	-29	159	1 586	3	1 589
Total comprehensive income for the year	-	-	**1 456**	**-29**	**8 890**	**10 317**	**28**	**10 345**
Dividend	-	-	-	-	-4 591	-4 591	-2	-4 593
Divestment of 1 405 910 series A shares	-	13	-	-	277	290	-	290
Share-based payment, equity settled								
– expense during the year	-	-	-	-	13	13	-	13
– exercise option	-	-	-	-	-93	-93	-	-93
Non-controlling interest acquired/divested	-	-	-	-	0	0	9	9
Closing balance, Dec. 31	**500**	**117**	**2 192**	**1**	**39 947**	**42 757**	**423**	**43 180**

2023	Equity attributable to owners of the parent							
MSEK	Share capital	Other paid-in capital	Translation reserve	Cash flow hedge	Retained earnings	Subtotal	Non-controlling interests	Total equity
Opening balance, Jan. 1	**500**	**107**	**2 091**	**94**	**30 228**	**33 020**	**488**	**33 508**
Profit for the year	-	-	-	-	9 431	9 431	27	9 458
Other comprehensive income for the year	-	-	-1 356	-64	-306	-1 726	-16	-1 742
Total comprehensive income for the year	-	-	**-1 356**	**-64**	**9 126**	**7 706**	**10**	**7 716**
Dividend	-	-	-	-	-4 103	-4 103	-3	-4 106
Divestment of 1 400 362 series A shares	-	-2	-	-	281	279	-	279
Share-based payment, equity settled								
– expense during the year	-	-	-	-	25	25	-	25
– exercise option	-	-	-	-	-106	-106	-	-106
Non-controlling interest acquired/divested	-	-	-	-	1	1	-107	-106
Closing balance, Dec. 31	**500**	**105**	**735**	**30**	**35 452**	**36 822**	**388**	**37 210**

Consolidated statement of cash flows

January - December, MSEK	Note	2024	2023
Cash flow from operating activities			
Operating profit		12 385	13 183
Adjustments for:			
Depreciation, amortization and impairment	13, 14	3 444	2 663
Capital gain/loss and other non-cash items		-958	-220
Net financial items received/paid		-447	-599
Taxes paid		-3 039	-3 531
Pension funding and payment of pension to employees		-68	-71
Cash flow before change in working capital		**11 317**	**11 425**
Change in:			
Inventories		1 589	-2 082
Operating receivables		-1 620	-1 450
Operating liabilities		-543	-176
Change in working capital		**-574**	**-3 708**
Increase in rental equipment		-878	-1 095
Sale of rental equipment		595	521
Net cash flow from operating activities		**10 460**	**7 143**
Cash flow from investing activities			
Investments in other property, plant and equipment		-890	-1 044
Sale of other property, plant and equipment		16	53
Investments in intangible assets	13	-966	-643
Sale of intangible assets	13	-	3
Acquisition of subsidiaries and associated companies	3	-9 658	-3 666
Proceeds to/from other financial assets, net		-192	-467
Assets held for sale		-	527
Net cash flow from investing activities		**-11 690**	**-5 237**
Cash flow from financing activities			
Dividend		-4 591	-4 103
Dividend to non-controlling interest		-2	-3
Acquisition of non-controlling interest		-	-105
Divestment of own shares		290	279
Borrowings		12 164	7 786
Repayment of borrowings		-5 295	-5 922
Payment of lease liabilities	23	-667	-573
Net cash flow from financing activities		**1 899**	**-2 641**
Net cash flow for the year		**669**	**-735**
Cash and cash equivalents, Jan. 1		6 401	7 326
Exchange rate difference in cash and cash equivalents		109	-190
Cash and cash equivalents, Dec. 31	20	**7 179**	**6 401**
Operating cash flow			
Net cash from operating activities		10 460	7 143
Net cash from investing activities		-11 690	-5 237
Acquisition and divestment of subsidiaries and associated companies		9 658	3 666
Other adjustments [1]		704	639
Operating cash flow		**9 132**	**6 211**

[1] Mainly currency hedges of loans and changes in Financial Solutions portfolios.

Group notes

1. Accounting policies

The consolidated financial statements comprise Epiroc AB, the Parent Company ("the Company"), and its subsidiaries (together "the Group" or Epiroc) and the Group's interest in associated companies. Epiroc AB is headquartered in Nacka, Sweden. The financial year for Epiroc is Jan 1 - December 31.

The Annual Report for the Group and for Epiroc AB, including financial statements, was approved for issuance on March 20, 2025. The balance sheets and income statements are subject to approval by the Annual General Meeting of the shareholders on May 8, 2025.

Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed by the EU, the Swedish recommendation RFR 1 "Supplementary Accounting Rules for Groups" and applicable statements issued by the Swedish Financial Reporting Board.

The Group describes the most material accounting policies in conjunction with each note with the aim of providing enhanced understanding of each accounting area.

Functional currency and foreign currency translation

The financial statements are presented in Swedish krona (SEK), which is the functional reporting currency for Epiroc AB and the presentation currency for the Group. Unless otherwise stated, the amounts presented are in millions Swedish krona (MSEK).

Exchange rates for major currencies that have been used for the Group's financial statements are disclosed below.

CURRENCY RATES USED IN THE FINANCIAL STATEMENTS

			Year-end rate		Average rate	
	Value	Code	2024	2023	2024	2023
Australia	1	AUD	6,86	6.82	6,96	7.02
Canada	1	CAD	7,64	7.54	7,71	7.83
Chile	1 000	CLP	11,07	11.28	11,17	12.57
EU	1	EUR	11,47	11.05	11,42	11.44
South Africa	1	ZAR	0,59	0.54	0,57	0.58
USA	1	USD	11,0	9.98	10,56	10.57

New and revised accounting policies 2024

The revised accounting standards effective from January 1, 2024, have not materially affected the Group's financial statements. A review of classification of short- and long-term liabilities and lease liabilities in sale and lease-back transactions, has been performed in accordance with revised IAS 1 and IFRS 16. Additional disclosures of supplier finance arrangements have been included according to the revised IAS 7 and IFRS 7.

New and revised accounting policies 2025 and later

An evaluation of the impact of IFRS 18 Presentation and Disclosure in Financial Statements has been initiated. Implementation of IFRS 18 will have impact on presentation and classifications in the income statement and cash flow. No other new accounting standards and interpretations are considered to have a material impact on the Group's financial statements.

Accounting policies	Note	IFRS standard
Acquisitions and divestments	3. Acquisitions and divestments	IFRS 3, IFRS 10
Operating segments	4. Segment information and revenues	IFRS 8
Revenue recognition	4. Segment information and revenues	IFRS 15
Incentive programs	5. Employees and personnel expenses	IAS 19
Hyperinflation	8. Remeasurement for hyperinflation	IAS 29
Income taxes	10. Income taxes	IAS 12
Earnings per share	12. Earnings per share	IAS 33
Intangible assets	13. Intangible assets	IFRS 3, IAS 36, IAS 38
Property, plant and equipment	14. Property, plant and equipment	IAS 36
Inventories	17. Inventories	IAS 2
Leasing	23. Leases	IFRS 16
Pensions and other obligations	24. Post-employment benefits	IFRS 2, IAS 19
Share-based payments	25. Share-based payments	IFRS 2
Financial instruments	29. Financial instruments	IFRS 7, IFRS 9, IFRS 13, IAS 32

2. Critical accounting estimates and judgments

The preparation of financial reports requires management's judgment and the use of estimates and assumptions that affect the amounts reported in the Group's financial statements. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the prevailing circumstances. Actual results may differ from those estimates. The estimates and assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which they are revised and in any future periods affected.

The estimates and the judgments which, in the opinion of management, are significant to the underlying amounts included in the financial reports and for which there is a significant risk that future events or new information could entail a change in those estimates or judgments are presented in connection to the items considered to be affected. The table discloses where to find these descriptions.

Critical accounting estimates and judgments	Note
Business combinations	3. Acquisitions and divestments
Revenue recognition	4. Segment information and revenues
Impairment of goodwill, other intangible assets and other non-current assets	13. Intangible assets
Inventories	17. Inventories
Trade and financial receivables	18. Trade receivables
Post-employment benefit valuation assumptions	24. Post-employment benefits

The Groups assessment of how climate related issues might affect the business has been integrated into its strategic and financial planning process. At the same time, the Group reviews the potential impact of the material risks and opportunities on the balance sheet, critical accounting estimates and accounting policies including the useful economic lives of intangible and tangible assets.

The Group has issued green bonds to support the implementation of the transition plan. Epiroc is allocating funds that directly contribute to our 2030 climate goals. In 2024, Epiroc published a Sustainability-Linked Financing Framework including three climate related key performance indicators that will enable sustainability-linked financing.

Sustainability targets are included in the variable compensation plans for all Group management members, including the President and CEO. Relevant sustainability targets, such as safety, CO_2e reductions, or a mix of targets, are also set for other managers and employees based on their roles and responsibilities.

In summary, the Group's climate change considerations did not have a material impact on the consolidated financial reports or on the critical accounting estimates and judgments during the year.

3. Acquisitions and divestments

ACCOUNTING POLICY

Business combinations

Business combinations are accounted for using the acquisition method. Business combinations are seen as if the Group directly acquires the assets and assumes the liabilities of the entity acquired. At the acquisition date, the date on which control is obtained, each identifiable asset acquired, and liability assumed is recognized at its acquisition date fair value. When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. When a business combination is achieved in stages, the Group's previously held interests (including associated companies) in the acquired entity are remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Transaction costs that the Group incurs in connection with a business combination are expensed as incurred as operating expenses.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree, if any, over the net of acquisition date fair value amounts of the identifiable assets acquired and liabilities assumed.

Non-controlling interest is initially measured at the non-controlling interest's proportionate share of the fair value of identifiable net assets. Subsequent profit or loss attributable to the non-controlling interest is allocated to the non-controlling interest, even if it puts the non-controlling interest in a deficit position. Acquisitions of non-controlling interests are recognized as a transaction between owners of the parent and non-controlling interests. The difference between consideration paid and the proportionate share of net assets acquired is recognized in equity.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The valuation of business combinations is based on management assessment of the future earnings of the acquired company. The determination of the fair value of assets and liabilities in connection to a business combination requires the Group to apply assumptions and estimates which can vary from the actual outcomes. Some of the business combinations contain earn-outs which are based on the acquisitions achieving future targets for revenues for a predetermined period. The fair value of earn-outs is reviewed on a regular basis.

Acquisitions 2024

All acquisitions described below were made through the purchase of 100% of shares and voting rights or through the purchase of the net assets of the acquired business, except for ASI Mining where the remaining 66% of the shares and voting rights were acquired. Epiroc owned 34% of the shares in ASI Mining (associated company) before the acquisition date. The transaction resulted in a revaluation gain on non-controlling interest of 554 which was recognized in Other operating income. See note 7. From July 3, ASI Mining is a fully-owned subsidiary.

The Group received control over the businesses upon the date of the acquisition. All acquisitions have been accounted for using the acquisition method, no equity instruments have been issued in connection with the acquisitions.

Date	Completed acquisitions	Segment	Revenues	Employees
2024 Sep 4	ACB+	T&A	325	140
2024 Jul 3	ASI Mining	E&S	300	49
2024 Jun 17	Yieldpoint Inc.	T&A	–	10
2024 May 3	Weco Proprietary Limited	E&S	90	80
2024 Apr 1	Stanley Infrastructure	T&A	4 725	1 380

Acquisitions that support profitable growth are a natural part of the strategy and in 2024, Epiroc has completed five acquisitions:

In April, reporting segment Tools & Attachments acquired Stanley Infrastructure, USA, including subsidiaries. The company designs, manufactures, and sells attachments, typically used on excavators, and handheld hydraulic and battery-powered tools for applications in infrastructure, construction, scrap recycling, deconstruction, and railroad infrastructure.

In May, reporting segment Equipment & Service acquired Weco Proprietary Limited, South Africa including subsidiaries. The company manufactures precision-engineered rock drilling parts and provides related repairs and services.

In June, reporting segment Tools & Attachments acquired Yieldpoint, Canada. The company designs, manufactures and sells advanced digital geotechnical instruments and has customers worldwide.

In July, reporting segment Equipment & Service acquired ASI Mining, USA, including subsidiary. The company provides mining automation systems such as remote control, teleoperation, and fully autonomous solutions.

In September, reporting segment Tools & Attachments acquired ACB+, France including subsidiary. The company manufactures attachments and quick couples used on excavators for construction and related areas such as scrap recycling and deconstruction.

The amounts in the following table detail the recognized amounts according to the preliminary purchase price allocations. The amounts are aggregated for four of the acquisitions made during the year, as the relative amounts of these individual acquisitions are not considered significant. The fifth acquisition, Stanley Infrastructure, is reported separately. The purchase price allocations are finalized within twelve months, when all relevant information have been retrieved.

Fair value (preliminary) of acquired assets and liabilities	Group recognized values (Total)	Whereof Stanley	Whereof changes related to acquisitions made before 2024[1]
	2024	2024	2024
Net assets identified	4 031	3 646	6
of which:			
Intangible assets	3 029	2 559	2
Tangible assets	1 269	1 125	–
Inventory	1 092	999	–
Trade receivables	525	467	–
Trade payables	532	507	–
Goodwill	6 094	4 334	-6
Total consideration	**10 125**	**7 980**	**0**
Acquired cash and cash equivalents	120	36	–
Revaluation gain on non-controlling interest in ASI Mining	554	–	–
Contingent consideration [2]	-207	–	-633
Net cash outflow	**9 658**	**7 944**	**633**

1) The changes are related to updated final purchase price allocations for acquisitions completed in 2023, and payout of earn-out related to acquisitions prior years.
2) The contingent consideration consists of paid earn-out and hold-back amounts of -633 and hold-back amounts related to acquisitions in 2024 of 426. The total outstanding earn-out per December 31, amounts to 423, which corresponds to the maximum amount. The change in fair value of earn-out is included in other operating income and other operating expenses

The goodwill recognized on acquisitions is primarily related to the synergies expected to be achieved from integrating these companies into the Group's existing structure. As of December 31, the acquisitions have a total cash flow effect of -9 025. The earn-out is recognized as a liability at fair value. The payment is dependent on achieving future targets for revenues within two years of the acquisition. The fair value is based on probability-weighted scenarios and is discounted to net present value. According to the preliminary purchase price allocations, total consideration amounts to 10 125. The acquired businesses have contributed to revenues by 2 807 and to operating profit by -3 since their respective dates of acquisition.

CONTRIBUTION FROM BUSINESSES ACQUIRED IN 2024

	Total	Whereof Stanley[1]
Contribution from date of control		
Revenues	2 807	2 635
Operating profit	-3	-17
Contribution if the acquisition had occurred on Jan. 1		
Revenues	4 072	3 595
Operating profit	-233	-167

1) The revenues were lower 2024 due to weak construction market in USA.

Divestments 2024

No material divestments of subsidiaries have been made during the last twelve months.

Acquisitions 2023

All acquisitions described below were made through the purchase of 100% of shares and voting rights.

The Group received control over the businesses upon the date of the acquisition. All acquisitions have been accounted for using the acquisition method, no equity instruments have been issued in connection with the acquisitions.

Acquisitions that support profitable growth are a natural part of the strategy and in 2023, Epiroc has completed three acquisitions:

In February, reporting segment Equipment & Service acquired Mernok Elektronik (Pty) Ltd. South Africa. The company provides advanced collision avoidance systems.

In February, reporting segment Tools & Attachments acquired CR, Australia, including subsidiaries. The company provides advanced ground engaging tools (GET) and related digital solutions mainly for the mining industry.

In April, reporting segment Equipment & Service acquired AARD Mining Equipment, South Africa, including subsidiaries. The company manufactures a wide range of mining equipment, specializing in low-profile underground machines for mines with low mining heights.

The amounts in the following table detail the recognized amounts according to the preliminary purchase price allocations. The amounts are aggregated for two of the acquisitions made during the year, as the relative amounts of these individual acquisitions are not considered significant. The third acquisition, CR, is reported separately. The purchase price allocations, allocations are finalized when all relevant information have been retrieved.

Fair value (preliminary) of acquired assets and liabilities	Group recognized values (Total)	Whereof CR	Whereof changes related to acquisitions made before 2023[1]
	2023	2023	2023
Net assets identified	848	764	343
of which:			
Intangible assets	1 328	1 153	-33
Tangible assets	362	238	101
Inventory	596	453	24
Trade receivables	553	453	1
Trade payables	413	377	–
Goodwill	2 414	2 520	-434
Total consideration	**3 262**	**3 284**	**-91**
Acquired cash and cash equivalents	78	71	–
Contingent consideration [2]	-482	–	-492
Net cash outflow	**3 666**	**3 213**	**401**

1) The changes are related to updated final purchase price allocations.
2) The contingent consideration consists of earn-out of 275 and hold-back amounts of 207. The total outstanding earn-out per December 31 amounts to 176. The maximum earn-out amounts to 265. The change in fair value of the contingent consideration is included in other operating income and other operating expenses.

The goodwill recognized on acquisitions is primarily related to the synergies expected to be achieved from integrating these companies into the Group's existing structure. As of December 31, the acquisitions have a total cash flow effect of -3 666. The earn-out is recognized as a liability at fair value. The payment is dependent on achieving future targets for revenues within two years of the acquisitions. The fair value is based on probability-weighted scenarios and is discounted to net present value. According to the preliminary purchase price allocations, total consideration amounts to 3 262. The acquired businesses have contributed to revenues by 1 981 and to operating profit by 244 since their respective dates of acquisition.

CONTRIBUTION FROM BUSINESSES ACQUIRED IN 2023

	Total	Whereof CR
Contribution from date of control		
Revenues	1 981	1 551
Operating profit	244	197
Contribution if the acquisition had occurred on Jan. 1		
Revenues	2 274	1 675
Operating profit	-114	-203

Divestments and assets held for sale 2023

No material divestments of subsidiaries have been made during the last twelve months.

A capital gain of MSEK 429 related to the sale of the production facility in Japan has been recognized.

4. Segment information and revenues

ACCOUNTING POLICY - SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group's President and CEO, who is the chief operating decision maker for Epiroc, monitors the operations by divisions which represent the operating segments for the Group. In the Group's financial statements, the operating segments have been aggregated to two reporting segments, Equipment & Service and Tools & Attachments, in accordance with IFRS 8.

The Group is organized in eight separate and focused, but still integrated operating divisions, aggregated into two reporting segments: Equipment & Service and Tools & Attachments. The reporting segments offer different products and services. They are also, together with the divisions, the basis for management and internal reporting and are regularly reviewed by the Group's President and CEO.

2024	Equipment & Service	Tools & Attachments	Common group functions	Eliminations	Group
Revenues from external customers	48 793	14 637	174	–	63 604
Inter-segment revenues	121	3	23	-147	–
Total revenues	**48 914**	**14 640**	**197**	**-147**	**63 604**
Operating profit/loss	**11 310**	**1 373**	**-306**	**8**	**12 385**
– of which share of profit in associated companies	*-20*	–	–	–	*-20*
Net financial items	–	–	–	–	-946
Income tax expense	–	–	–	–	-2 683
Profit for the year	–	–	–	–	**8 756**
Non-cash expenses/income					
Depreciation/amortization	2 268	740	118	-29	3 097
Impairment	347	–	–	–	347
Other non-cash expenses/income	-15	-93	-75	–	-183
Segment assets	**44 643**	**24 031**	**4 981**	**-454**	**73 201**
– of which goodwill	*8 444*	*8 255*	–	–	*16 699*
Investments in associated companies	31	3	–	–	34
Unallocated assets	–	–	–	–	10 354
Total assets	–	–	–	–	**83 589**
Segment liabilities	**13 227**	**4 549**	**1 302**	**-391**	**18 687**
Unallocated liabilities	–	–	–	–	21 722
Total liabilities	–	–	–	–	**40 409**
Capital expenditures					
Property, plant and equipment	2 239	569	188	-37	2 957
– of which assets leased	*936*	*240*	*14*	–	*1 189*
Intangible assets	882	74	10	–	966
Total capital expenditures	**3 121**	**643**	**196**	**-37**	**3 923**
Intangible assets acquired (acquisition of business)	399	2 630	–	–	3 029
Goodwill acquired	1 450	4 461	–	183	6 094

2023	Equipment & Service	Tools & Attachments	Common group functions	Eliminations	Group
Revenues from external customers	47 456	12 723	164	–	60 343
Inter-segment revenues	74	–	14	-88	–
Total revenues	**47 530**	**12 723**	**178**	**-88**	**60 343**
Operating profit/loss	**11 792**	**1 780**	**-423**	**34**	**13 183**
– of which share of profit in associated companies	*-15*	–	–	–	*-15*
Net financial items	–	–	–	–	-948
Income tax expense	–	–	–	–	-2 777
Profit for the year	–	–	–	–	**9 458**
Non-cash expenses/income					
Depreciation/amortization	2 014	487	140	-38	2 603
Impairment	60	–	–	–	60
Other non-cash expenses/income	129	-114	4	–	19
Segment assets	**41 298**	**13 498**	**4 299**	**-240**	**58 855**
– of which goodwill	*6 696*	*3 526*	–	–	*10 222*
Investments in associated companies	47	2	–	–	49
Unallocated assets	–	–	–	–	8 880
Total assets	–	–	–	–	**67 784**
Segment liabilities	**13 150**	**2 961**	**1 611**	**-162**	**17 560**
Unallocated liabilities	–	–	–	–	13 014
Total liabilities	–	–	–	–	**30 574**
Capital expenditures					
Property, plant and equipment	2 276	416	130	-8	2 814
– of which assets leased	*496*	*143*	*36*	–	*675*
Intangible assets	545	56	42	–	643
Total capital expenditures	**2 821**	**472**	**172**	**-8**	**3 457**
Intangible assets acquired (acquisition of business)	175	1 153	–	–	1 328
Goodwill acquired	-407	2 466	–	356	2 414

Common group functions are functions which serve the whole Group and is not considered a segment. Common group functions include Epiroc Financial Solutions. Revenues from operating leases owned by Epiroc Financial Solutions are reported under common group functions.

Segment assets comprise property, plant and equipment (including right-of-use assets), intangible assets, lease receivables, other non-current receivables, inventories, and current receivables. Segment liabilities include the sum of non-interest-bearing liabilities such as operating liabilities, other provisions, and other non-current liabilities. Lease liabilities (part of interest-bearing liabilities) are also included. Capital expenditure includes property, plant and equipment, and intangible assets, but excludes the effect of goodwill, intangible assets and property, plant and equipment through acquisitions.

ACCOUNTING POLICY - REVENUE RECOGNITION

Revenue recognition
Revenue is recognized to an amount that reflects the expected and entitled consideration for transferring goods and/or services to customers when control has passed to the customer.

Goods sold/Equipment
Revenue from goods sold is recognized at one point in time when control of the goods has been transferred to the customer. This occurs when the Group has a present right to payment for the goods, the customer has legal title of the goods, the goods have been delivered to the customer and/or the customer has the significant risks and rewards of the ownership of the goods.

When the goods sold are highly customized and an enforceable right to payment is present, revenue is recognized over time using the proportion of cost incurred to date compared to estimated total cost to measure progress towards transferring the control of the goods to the customer.

Some contracts with customers provide a right of return, trade discounts or volume rebates. With such components, revenue is deferred until highly probable that a reversal of revenue will not occur. Such provisions are estimated at contract inception and updated thereafter.

When a contract with a customer provides a right to return the goods within a specified period, the Group accounts for the right of return using the expected value method based on historical experience with the customer or similar customers and taking into consideration future expected deliveries. The amount of revenue related to the expected returns is deferred and recognized in the balance sheet within "Other liabilities". A corresponding adjustment is made to the cost of sales and recognized in the balance sheet within "Other receivables".

The performance obligation is satisfied upon delivery of the equipment, except for equipment with complex installation, in these circumstances; the performance obligation is satisfied upon completion of installation of the equipment. Payment is generally due between 30–60 days from delivery. In some contracts, short-term advances are required before the equipment is delivered. Some contracts contain right of return, late delivery penalties, volume rebates and buy-backs, which give rise to variable consideration. With variable consideration revenue is deferred until highly probable that a reversal of revenue will not occur.

Installation services are sold either separately or as a part of an equipment sale. The performance obligation is satisfied over time and payment is generally due upon completion and acceptance by the customer.

Services
Revenue from services is recognized over time by reference to the progress towards satisfaction of each performance obligation. The progress towards satisfaction of each performance obligation is measured by the proportion of cost incurred to date compared to estimated total cost of each performance obligation.

Where the outcome of a service contract cannot be estimated reliably, revenue is recognized to the extent of costs incurred that are expected to be recoverable. When it is probable that total contract costs will exceed total revenue, the expected loss is recognized as an expense immediately. Payment is generally due 30–60 days after completion.

Rental operations
Rental income from rental equipment is recognized on a straight-line basis over the rental period. Sale of rental equipment is recognized as revenue when the significant risks and rewards of ownership have been transferred to the buyer. The carrying value of the rental equipment sold is recognized as cost of sales. Investments in and sale of rental equipment are included in cash flow from operating activities

Contract assets and contract liabilities
If the right to consideration for a specific performance obligation is conditional on satisfying another performance obligation, the right is classified as a contract asset. When payment has been received in advance of satisfying the performance obligation, the liability is classified as a contract liability.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Revenue for services is recognized over time in profit or loss by reference to the progress towards satisfaction of the performance obligation at the balance sheet date. The progress towards satisfaction is determined by the proportion of cost incurred to date compared to estimated total cost of each performance obligation. Revenue for goods sold is recognized in profit or loss at one point in time when control of the goods has been transferred to the customer.

Management's judgment is used, for instance, when assessing:

- the degree of progress towards satisfaction of the performance obligations and the estimated total costs for such contracts when revenue is recognized over time, to determine the revenue and cost to be recognized in the current period, and whether any losses need to be recognized,
- if the control has been transferred to the customer (i. e., the Group has a present right to payment for the goods, the customer has legal title of the goods, the goods have been delivered to the customer and/or the customer has the significant risks and rewards of the ownership of the goods), to determine if revenue and cost should be recognized in the current period,
- the transaction price of each performance obligation when a contract includes more than one performance obligation, to determine the revenue and cost to be recognized in the current period, and
- the customer credit risk (i.e., the risk that the customer will not meet the payment obligation), to determine and justify the revenue recognized in the current period.

REVENUES BY SEGMENT AND CATEGORY

	2024	2023
Equipment & Service	48 914	47 530
of which Equipment	*21 726*	*20 410*
of which Service [1]	*27 188*	*27 120*
Tools & Attachments	14 640	12 723
Common Group functions/eliminations	50	90
Total	**63 604**	**60 343**

[1] Service includes spare parts and service.

Geographical information
The revenues presented are based on the location of the customers while non-current assets are based on the geographical location of the assets. These assets include non-current assets other than financial instruments, investments in associated companies, deferred tax assets, and post-employment benefit assets.

GEOGRAPHICAL DISTRIBUTION OF REVENUES

	2024	2023
Epiroc Group [1]	**63 604**	**60 343**
North America	17 795	15 428
South America	7 760	8 471
Europe	8 719	8 626
Africa/Middle East	10 832	9 900
Asia/Australia	18 498	17 918
Equipment & Service	**48 914**	**47 530**
North America	11 679	11 427
South America	6 838	7 201
Europe	6 151	6 091
Africa/Middle East	8 592	7 712
Asia/Australia	15 654	15 099
Tools & Attachments	**14 640**	**12 723**
North America	6 040	3 968
South America	922	1 270
Europe	2 592	2 492
Africa/Middle East	2 240	2 188
Asia/Australia	2 846	2 805

[1] Including 50 (90) related to common group functions and eliminations.

BY GEOGRAPHIC AREA/COUNTRY

	Revenues		Non-current assets	
	2024	2023	2024	2023
North America				
USA	8 293	6 313	11 977	1 338
Canada	6 905	6 585	1 716	1 707
Mexico	2 597	2 530	871	890
	17 795	**15 428**	**14 564**	**3 935**
South America				
Chile	3 250	4 040	246	257
Peru	1 819	1 638	108	110
Brazil	1 409	1 463	72	50
Argentina	333	267	2	2
Panama	19	213	7	1
Other countries	930	850	10	8
	7 760	**8 471**	**445**	**429**
Europe				
Sweden	1 468	1 405	5 843	5 735
Türkiye	1 386	896	15	10
Spain	565	489	31	22
Norway	558	976	63	58
Italy	466	622	150	141
Germany	546	590	328	309
Portugal	390	437	33	32
Other countries	3 340	3 211	916	441
	8 719	**8 626**	**7 379**	**6 748**
Africa/Middle East				
South Africa	4 309	4 042	1 128	1 018
Congo (DRC)	2 472	1 745	110	88
Zambia	1 072	817	46	46
Ghana	430	443	37	25
Other countries	2 549	2 853	71	72
	10 832	**9 900**	**1 392**	**1 249**
Asia/Australia				
Australia	10 444	10 300	9 198	9 603
China	2 812	2 372	833	752
India	1 777	1 588	431	392
Kazakhstan	990	997	41	64
Indonesia	740	877	54	57
Mongolia	699	644	6	7
Philippines	333	254	4	3
South korea	138	162	129	141
Other countries	565	725	74	77
	18 498	**17 918**	**10 770**	**11 096**
Total	**63 604**	**60 343**	**34 550**	**23 457**

Performance obligations
The transaction prices allocated to the remaining performance obligations (unsatisfied or partially satisfied as of December 31) are as follows:

	2024	2023
Within one year	1 542	961
More than one year	799	1 146

The remaining performance obligations expected to be recognized within one year or more than one year, relate to combined service contracts, where the entire contract is assessed to be one performance obligation.

The amount of remaining performance obligations not yet satisfied or partially satisfied has not been disclosed for:
- Contracts with a contract period of less than one year.
- Contracts meeting the requirement for the right to invoice expedient.

5. Employees and personnel expenses

ACCOUNTING POLICY

Incentive programs
The Group has share-based incentive programs, consisting of stock options and share appreciation rights, which may be offered to certain employees based on position and performance. Additionally, the Board are offered synthetic shares. The incentive programs are accounted for in accordance with IAS 19 Employee benefits. See note 25.

AVERAGE NUMBER OF EMPLOYEES

	2024			2023		
	Women	Men	Total	Women	Men	Total
Parent Company						
Sweden	31	22	53	30	20	50
Subsidiaries						
North America	756	3 231	3 987	596	2 678	3 274
South America	248	1 222	1 470	264	1 354	1 618
Europe	1 103	3 620	4 723	1 057	3 555	4 612
– of which Sweden	*832*	*2 675*	*3 507*	*788*	*2 646*	*3 434*
Africa/Middle East	472	2 334	2 806	428	2 435	2 863
Asia/Australia	1 022	4 717	5 739	970	4 536	5 506
Total subsidiaries	**3 601**	**15 124**	**18 725**	**3 315**	**14 558**	**17 873**
Total	**3 632**	**15 146**	**18 778**	**3 345**	**14 578**	**17 923**

NUMBER AND PROPORTION OF WOMEN IN THE BOARD OF DIRECTORS, GROUP MANAGEMENT AND OTHER SENIOR MANAGERS

	2024			2023		
Group	Women	Men	Proportion of women %	Women	Men	Proportion of women %
Board of Directors excl. union representatives [1]	5	4	56	5	4	56
Group Management	3	10	23	2	11	15
Other senior managers in subsidiaries [2]	5	31	14	4	31	11

1) The President and CEO is also a member of the Board of Directors.
2) Other senior managers refer to General Managers and Regional General Managers with legal functions.

REMUNERATION AND OTHER BENEFITS FOR THE GROUP

	2024	2023
Salaries and other remuneration [1, 2]	12 813	10 757
of which Parent Company [2]	101	136
Contractual pension benefits [3]	778	720
of which Parent Company	*16*	*16*
Other social costs	1 594	1 485
of which Parent Company [2]	*20*	*45*
Total	**15 185**	**12 962**

1) Salaries and other remuneration including variable compensation to Board of Directors and Group Management, excluding pensions, 91 (94).
2) Recognized costs for share-based payments 7 (45) of which 3 (13) to Group Management and social costs -7 (18).
3) Pensions to Group Management 16 (14).

REMUNERATION TO SENIOR MANAGERS IN SUBSIDIARIES [1]

	2024	2023
Salaries and other remuneration [2]	108	107
Contractual pension benefits	9	14
Other social costs	8	6

1) Senior managers refer to General Managers and Regional General Managers with legal functions.
2) Salaries and other remuneration include recognized cost for share-based payments.

REMUNERATION AND OTHER BENEFITS TO THE BOARD OF DIRECTORS

2024 KSEK	Fee	Value of synthetic share at grant date	Number of shares at grant date	Other fees[1]	Total fees incl. value of synthetic shares at grant date[2]	Effect of vesting and change in stock price[3]	Total expense recognized
Chair of Board:							
Ronnie Leten	2 668	–	–	449	3 117	–	3 117
Other members of the Board:							
Anthea Bath	418	418	2 034	–	836	-44	793
Astrid Skarheim Onsum	836	–	–	200	1 037	-28	1 009
Helena Hedblom	–	–	–	–	–	–	–
Jeane Hull	836	–	–	–	836	–	836
Johan Forssell	418	418	2 034	111	947	-58	890
Lennart Evrell	418	418	2 034	330	1 166	-58	1 190
Ulla Litzén	569	268	1 293	414	1 250	-17	1 233
Sigurd Mareels	418	418	2 034	–	836	-75	761
Union representatives[4]	–	–	–	96	96	–	96
Total	**6 583**	**1 941**	**9 428**	**1 600**	**10 123**	**-279**	**9 844**

1) Refers to fees in board committees.
2) Provision for synthetic shares (excl. social costs) at December 31, 2024, amounted to MSEK 8.9 (9.6).
3) Refers to synthetic shares received in 2020-2024.
4) Union representatives receive compensation to prepare for their participation in board meetings.

2023 KSEK	Fee	Value of synthetic share at grant date	Number of shares at grant date	Other fees[1]	Total fees incl. value of synthetic shares at grant date	Effect of vesting and change in stock price[2]	Total expense recognized[3]
Chair of Board:							
Ronnie Leten	2 542	–	–	391	2 933	–	2 933
Other members of the Board:							
Anders Ullberg[4]	323	–	–	106	429	–	429
Anthea Bath	398	398	1 988	–	796	6	802
Astrid Skarheim Onsum	635	161	826	111	907	313	1 220
Helena Hedblom	–	–	–	–	–	–	–
Jeane Hull	796	–	–	–	796	104	900
Johan Forssell	398	398	1 988	98	894	286	1 180
Lennart Evrell	398	398	1 988	286	1 082	209	1 291
Ulla Litzén	796	–	–	327	1 123	–	1 123
Sigurd Mareels	398	398	1 988	–	796	114	910
Union representatives[5]	–	–	–	102	102	–	102
Total	**6 684**	**1 753**	**8 778**	**1 421**	**9 858**	**1 032**	**10 890**

1) Refers to fees in board committees.
2) Refers to synthetic shares received in 2019-2023.
3) Provision for synthetic shares (excl. social costs) at December 31, 2023, 9.6 (8.9).
4) Anders Ullberg left the board after the Annual General Meeting 2023.
5) Union representatives received compensation to prepare for their participation in board meetings in 2023.

REMUNERATION AND OTHER BENEFITS TO GROUP MANAGEMENT

2024 KSEK	Base salary	Variable compensation[1]	Other benefits[2]	Pension	Total, excl. recognized costs for share-based payments	Recognized costs for share-based payments[3]	Total expense recognized
President and CEO							
Helena Hedblom	13 000	2 093	129	4 550	19 772	2 483	22 255
Other members of Group Management (12 positions)[4]	45 415	7 389	13 026	11 227	77 057	330	77 387
Total	**58 415**	**9 482**	**13 155**	**15 777**	**96 829**	**2 813**	**99 642**

1) Variable compensation refers to amount earned in 2024 and to be paid in 2025.
2) Refers to vacation pay, company car, medical insurance, housing allowance, severance pay and other benefits.
3) Refers to the stock options received in 2017–2024 and includes recognized costs due to change in stock price and vesting period.
4) In April 2024 Wayne Symes joined as President of Underground Division, replacing Sami Niiranen who left for a position outside the Group. In June 2024 Jodie Velasquez joined as President of Part & Services APAC Division, replacing Arman Bagdasarian who left for a position outside the Group.

2023 KSEK	Base salary	Variable compensation[1]	Other benefits[2]	Pension	Total, excl. recognized costs for share-based payments	Recognized costs for share-based payments[3]	Total expense recognized
President and CEO							
Helena Hedblom	11 906	6 465	110	3 571	22 052	4 080	26 132
Other members of Group Management (12 positions)[4]	41 502	15 267	7 944	10 491	75 204	9 139	84 343
Total	**53 408**	**21 732**	**8 054**	**14 062**	**97 256**	**13 219**	**110 475**

1) Variable compensation refers to amount earned in 2023 and to be paid in 2024.
2) Refers to vacation pay, company car, medical insurance, housing allowance and other benefits.
3) Refers to the stock options received in 2016–2023 and includes recognized costs due to change in stock price and vesting period.
4) In May 2023 Paul Bergström joined as President of Digital Solutions Division. Ashleigh Braddock was acting President of Digital Solutions Division from January to April.

REMUNERATION AND OTHER FEES FOR MEMBERS OF THE BOARD OF DIRECTORS, THE PRESIDENT AND CEO, AND OTHER MEMBERS OF GROUP MANAGEMENT

Remuneration to the Board of Directors 2024

The remuneration to the Board of Directors is approved at the Annual General Meeting of the shareholders. Remuneration and fees are based on the work performed by the Board. The Annual General Meeting held on May 14, 2024, decided that fees to the Board members elected by the general meeting, until the next Annual General Meeting, should be as follows:

- The Chair of the Board was granted an amount of SEK 2 710 000.
- Each of the other Board members not employed by the Group were granted SEK 850 000.
- An amount of SEK 360 000 was granted to the Chair of the Audit Committee and SEK 235 000 to each of the other members of this committee.
- An amount of SEK 165 000 was granted to the Chair of the Remuneration Committee and SEK 120 000 to each of the other members of this committee.
- An amount of SEK 80 000 to each non-executive director who, in addition, participates in committee work decided upon by the Board.

The Board members may choose to receive their whole remuneration in cash or 50% of the remuneration in cash and 50% of their remuneration in the form of synthetic shares. The synthetic shares received will be based on an average of the closing price of A-shares during ten trading days following the publishing of the first quarter results 2024. The payment of each synthetic share is made in 2029 and corresponds to the average price during the ten trading days after the publishing of the first quarterly result in 2029. The synthetic shares also carry the right to a recalculation in order to take into account the value of any dividend paid on Epiroc's shares during the period the synthetic shares have been held.

Five Board members accepted the right to receive synthetic shares. The number and costs at grant date and at the end of the fiscal year are disclosed by Board member in the table "Remuneration and other benefits to the Board of Directors".

Remuneration to Group Management

The principles for the remuneration to the members of Group Management are adopted by the general meeting of the shareholders in the Guidelines for Senior Executive Remuneration. The present guidelines were adopted by the Annual General Meeting 2024. These approved guidelines are outlined below. They will be in force until the Annual General Meeting 2028 unless the Board before then finds a need for material amendments and proposes to the general meeting to adopt such amendments.

Group Management consists of the present President and CEO and twelve other members. The compensation to Group Management consists of base salary, variable compensation, possible long-term incentive, pension benefits and other benefits.

President and CEO

The variable compensation can provide a maximum of 70% of the base salary. The variable compensation is not included in the basis for pension benefits.

The President and CEO is a member of the Epiroc group pension policy for executives in Sweden, which is a defined contribution plan. The contribution is age related and 35% of the base salary for the President and CEO. The retirement age is 65.

The President and CEO is entitled to severance pay of 12 months if the Company terminates employment and a further six months if the President and CEO has not been engaged in a new employment contract.

The President and CEO is eligible to a performance related employee stock option plan during 2024. Further information about the plan is found in note 25.

Other members of Group Management

The variable compensation can provide a maximum of 40-50% of the base salary depending on position.

Members of Group Management locally employed in Sweden have a defined contribution pension plan, with contribution ranging from 30% to 35% of the base salary depending on age. The variable compensation is not included in the basis for pension benefits. The retirement age is 65. Five members are on expatriate terms and conditions and they are on defined contribution pension plans with contributions related to their home country pension plans.

Other benefits mainly consist of company car and private health insurance. Five members are on expatriate terms and conditions and they receive benefits according to the Epiroc Group Expatriate Policy.

Other members of Group Management are entitled to severance pay if the Company terminates their employment. The amount of severance pay is dependent on the length of employment with the Company and the age of the executive, but never more than 24 months' salary.

Group Management is eligible for a performance related employee stock option plan during 2024. Further information about the plan is found in note 25.

Stock Options, holdings for Group Management

The stock options holdings as of December 31, 2024, are detailed below. See also note 25 for additional information.

STOCK OPTIONS HOLDINGS (INCLUDING MATCHING OPTIONS) AT DEC. 31, 2024

Grant Year	President and CEO	Other members of Group Management
2018	4 795	88 865
2019	32 563	63 138
2020	58 723	70 296
2021	153 341	216 245
2022	129 062	250 086
2023	14 496	36 200
2024 [1]	6 033	19 664
Total	**399 013**	**744 494**

[1] Estimated grants for the 2024 stock option program including matching options.

Performance based employee stock option plan

It is important that key personnel at Epiroc have a long-term interest in good value development of the shares of the Company and align their performance in a manner that enhances such development. In particular, this applies to the group of key personnel that consists of the senior executives. It is also the assessment of the Board that a share related employee stock option program increases the attractiveness of Epiroc on the global market and enhances the possibility to recruit and keep key personnel in the Group.

Guidelines for senior executive remuneration, as adopted by the Annual General Meeting 2024

The President and CEO and the other members of Group Management fall within the provisions of these guidelines and are hereinafter referred to as "senior executives". The guidelines are forward-looking, i.e., they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2024. These guidelines do not apply to remuneration decided or approved by the general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

For more information regarding the Company's business strategy, see chapter "Value-creating strategy". A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration.

Long-term share-related incentive programs have been implemented in the Company. Such programs have been decided, and any future such program will be decided, by the general meeting and are therefore excluded from these guidelines. For more information on the existing programs, see note 25.

Types of remuneration, etc.

The remuneration may consist of a base salary, annual variable compensation, pension contributions and additional benefits and shall be on market terms. Additionally, the Annual General Meeting may, irrespective of these guidelines, decide on, among other things, share-related or share price-related remuneration.

Base salary

The base salary shall reflect the position, competence and individual performance.

Variable cash remuneration
The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration compensation is limited to a maximum of 70% of the base salary. The variable cash remuneration shall be linked to criteria that can be financial or non-financial. The financial goals may be in relation to, for example, value creation, and development of revenues, operating profit or working capital. The goals may be individualized, quantitative or qualitative objectives. The objective with the variable cash remuneration is to promote the fulfillment of annual short-term goals in line with the company's business strategy and long-term interests, including its sustainability. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the remuneration committee. To what extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended.

The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the President and CEO. For variable cash remuneration to other executives, the President and CEO is responsible for the evaluation.

Right to reclaim and withhold variable cash remuneration
The Board of Directors shall have the possibility to partially or fully reclaim payments, if these are made on incorrect grounds for example in breach of Epiroc's Code of Conduct, if possible, according to contractual provisions and applicable law. The Board of Directors shall under exceptional circumstances have the possibility to adjust payment of variable compensation, to protect the company's long-term interests provided it is possible according to contractual provisions and applicable law.

Pension benefits
The pension benefits shall be defined contribution to a maximum of 35% of the base salary. Variable cash remuneration shall not qualify for pension benefits if not stipulated by mandatory law or by collective agreement covering the executive.

Other benefits
Other benefits may include, for example, life insurance, private medical insurance and company cars. Premiums and other costs relating to such benefits may amount to not more than 15 % of the base salary.

Conditions for expatriates, etc.
For a senior executive working on an international assignment outside of own home country, certain other benefits apply in compliance with the Company's Conditions for Expatriate Employees. For executives employed in other countries than Sweden the pension and other benefits will be according to local market practice.

Termination of employment
In case of termination of employment of a senior executive by the Company, the compensation can amount to a maximum of 24 months' base salary depending on age, length of employment and possible income from other economic activity or employment. When the executive terminates employment, the period of notice is six months. The executive will in the latter case not be entitled to severance pay unless bound by a non-compete obligation.

Salary and employment conditions for employees
In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for other employees of the company have been taken into account. This is done by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines
The remuneration committee's tasks include preparing the Board of Directors' decision to propose guidelines for senior executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be valid until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for executive management, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the Company.

Deviations from these guidelines
The Board of Directors may resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and the Board deems a deviation is reasonable to serve the company's long-term interests or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

6. Remuneration to auditors

AUDIT FEES AND OTHER SERVICES

	2024	2023
Ernst & Young		
Audit fees	55	40
Audit activities other than the audit assignment	1	1
Tax services	3	4
Other services	4	2
Other audit firms		
Audit fees	6	6
Total	**69**	**53**

Audit fees refers to audit of the financial statements and the accounting records. For the Parent Company this also includes audit of the administration of the business by the Board of Directors, and the President and CEO as well as the Sustainability audit at Group level.

Tax services include both tax consulting services and tax compliance services. Other services include comfort letters and other quality assurance services.

At the Annual General Meeting 2024, Ernst & Young was elected as auditor for the Epiroc Group until the Annual General Meeting 2025.

7. Other operating income and expenses

OTHER OPERATING INCOME

	2024	2023
Capital gain on sale of property, plant and equipment	31	42
Capital gain on asset held for sale	–	429
Revaluation gain on non-controlling interest in ASI Mining	554	–
Foreign exchange gains	23	–
Other operating income	20	83
Total	**628**	**554**

OTHER OPERATING EXPENSES

	2024	2023
Capital loss on sale of property, plant and equipment and intangible assets	-11	-69
Foreign exchange loss	–	-331
Other operating expenses	-95	-108
Total	**-106**	**-508**

Gains and losses on disposals of non-current assets are determined by comparing the proceeds from disposal with the carrying amount. Included in the operating profit are exchange rate gains and losses on translation of payables and receivables of an operating nature.

Additional information on costs by nature

Cost of sales includes expenses for inventories, see note 17, warranty costs, environmental fees, and transportation costs.

Salaries, remunerations and employer contributions amounted to 15 185 (12 962) of which expenses for post-employment benefits amounted to 778 (720). See note 5.

Amortization, depreciation and impairment for the year amounted to 3 444 (2 663). Costs for research and development, including amortization, depreciation and impairment, amounted to 2 282 (1 930). Amortization related to development expenditure amounted to 862 (527). See note 13 and 14.

8. Remeasurement for hyperinflation

ACCOUNTING POLICY

Epiroc's operations in Türkiye are accounted for according to IAS 29, Financial reporting in Hyperinflationary economies. Remeasurement of the non-monetary balance sheet items and the statement of income on subsidiary level is part of the net monetary gain or loss recognized in the statement of income as part of financial income and expenses. The statement of income has been translated at the closing rate on the balance sheet date.

The impact on the consolidated statement of income from IAS 29 is illustrated below. The index used by Epiroc for the remeasurement of the financial statements is the consumer price index with base period January 2003.

EXCHANGE RATES AND INDEX

	2024	2023
Exchange rate SEK/TRY	0,31	0.34
Index	2 684.55	1 859.38

NET MONETARY GAIN OR LOSS RECOGNIZED IN THE CONSOLIDATED STATEMENT OF INCOME

	2024	2023
Net monetary loss	-9	-54

9. Financial income and expenses

FINANCIAL INCOME AND EXPENSES

	2024	2023
Assets measured at amortized cost		
Interest income		
– cash and cash equivalents	240	172
– financial lease receivables	228	175
Interest income at effective interest method	**467**	**347**
Assets measured at fair value through profit or loss		
Capital gain – other assets	2	2
Financial income	**470**	**349**
Liabilities measured at amortized cost		
Interest expenses		
– Interest-bearing liabilities	-811	-494
Total interest expenses at effective interest method	**-811**	**-494**
Liabilities measured at fair value through profit or loss		
- derivatives	-321	-203
- lease liabilities	-121	-86
- pension provisions, net	-7	10
- other	-64	-51
Change in fair value		
- other liabilities and borrowings	-74	-4
Foreign exchange losses, net	-33	-466
Impairment gain or loss	15	-3
Financial expenses	**-1 416**	**-1 297**
Financial expenses, net	**-946**	**-948**

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the balance sheet date. Non-monetary items that are measured at historical cost are not retranslated.

Interest income and interest expense are recognized in profit or loss using the effective interest rate method.

Foreign exchange gain, net includes foreign exchange gains of 471 (609) and foreign exchange losses of -503 (-1 075). The gains and losses refer to revaluation of derivatives, interest-bearing liabilities and cash in foreign currency.

10. Income taxes

ACCOUNTING POLICY

Income taxes include both current and deferred taxes. A current tax liability or asset is recognized for the estimated tax payable or refundable for the current year or prior years.

Deferred tax is recognized using the balance sheet liability method; based on differences between the values reported in the balance sheet and their values for taxation, referred to as temporary differences. To calculate the deferred tax asset or liability, the temporary differences are multiplied with the enacted or substantively enacted tax rates for the relevant tax jurisdictions. Temporary differences attributable to the following assets and liabilities are not provided for: the initial recognition of goodwill, the initial recognition (other than in business combinations) of assets or liabilities that affect neither accounting nor taxable profit, and differences related to investments in subsidiaries and associated companies to the extent that they will probably not reverse in the foreseeable future, and for which the Company is able to control the timing of the reversal of the temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Current and deferred tax assets and liabilities are netted when there is a legally enforceable right to do so, and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The legal entities of the Group are frequently subject to audits by tax authorities in accordance with standard practice in the countries where the Group operates. In instances where the tax authorities have a different view on how to interpret the tax legislation, the Group makes estimates as to the likelihood of the outcome of the dispute, as well as estimates of potential claims.

Pillar Two Rules were introduced in Sweden and many other countries where Epiroc has subsidiaries with effect from 1 Jan 2024. As Epiroc AB and each of its subsidiaries have reported effective tax rates of at least 15% in 2024, Epiroc has not incurred any top-up taxes under the BEPS Pillar Two Rules. Instead, the consequences of those rules for Epiroc are significantly increased administrative compliance burden.

INCOME TAX EXPENSE

	2024	2023
Current taxes	-2 691	-2 885
Deferred taxes	8	108
Total	**-2 683**	**-2 777**

The income tax expense recognized was -2 683 (-2 777), which corresponds to an effective tax rate of 23.5% (22.7). The major differences between the effective tax rate and the expected tax rate are explained below. The expected tax rate is calculated as a weighted average, based on profit before tax multiplied by the statutory tax rate in each country.

BRIDGE OF THE EFFECTIVE TAX RATE

	2024	2023
Profit before tax	**11 439**	**12 235**
Expected income tax expense (weighted average)	-2 588	-2 791
Expected tax in %	**22.6**	**22.8**
Tax effect of:		
Non-deductible expenses	-163	-191
Non-taxable income	256	463
Withholding taxes	-17	-53
Adjustments related to prior years, net:		
– current taxes	-119	-58
– deferred taxes	-17	-107
Tax loss carryforwards and tax credits, net	-37	-23
Change in tax rates, deferred tax	8	-2
Other items	-6	-15
Recognized income tax expense	-2 683	-2 777
Effective tax in %	**23.5**	**22.7**

The income tax expense was mainly impacted by non-deductible expenses and non-taxable income. Included in non-taxable income is income subject to reduced taxation under local tax law, mainly in China and USA. Withholding taxes concern taxes on profit repatriation. Adjustments from prior years, current and deferred taxes, relate to adjustments of tax provisions and tax assessments for previous years. The net effect from tax credits and tax loss carryforwards relates to expired tax credits and tax loss carryforwards, as well as utilized tax credits and tax loss carryforwards for which no deferred tax assets previously were recognized. Change in tax rate relates to changed corporate tax rates in certain countries.

Changes in the net deferred tax asset balance from the beginning of the year to the end of the year are explained below:

CHANGE IN NET DEFERRED TAX ASSET BALANCE

	2024	2023
Opening balance, Jan. 1	587	311
Recognized in the income statement	8	108
Tax on amounts recorded in equity	-37	98
Acquisitions	-725	134
Translation difference	8	-66
Transaction with shareholders	-2	2
Closing balance, Dec. 31	**-161**	**587**

Changes in deferred taxes recognized in the income statement are attributable to the change in temporary differences on the following items:

DEFERRED TAXES RECOGNIZED IN THE INCOME STATEMENT

	2024	2023
Intangible assets	41	2
Property, plant and equipment	-175	19
Other financial assets	-8	76
Inventories	-9	-110
Current receivables	-220	-57
Operating liabilities	8	239
Provisions	134	34
Post-employment benefits	94	-62
Borrowings	72	-22
Other items	95	-81
Changes due to temporary differences	**32**	**38**
Loss/credit carryforwards	-24	70
Charges to profit for the year	**8**	**108**

The deferred tax assets and liabilities recognized in the balance sheet are attributable to temporary differences on the following items:

DEFERRED TAX ASSETS AND LIABILITIES

	2024			2023		
	Assets	Liabilities	Net balance	Assets	Liabilities	Net balance
Intangible assets	35	1 558	-1 523	34	1 089	-1 055
Property, plant and equipment	100	1 056	-956	124	754	-630
Other financial assets	15	203	-188	16	48	-32
Inventories	1 086	18	1 068	1 051	5	1 046
Current receivables	55	111	-56	76	49	27
Operating liabilities	810	13	797	673	29	644
Provisions	248	129	119	215	–	215
Post–employment benefits	22	2	20	48	–	48
Borrowings	643	0	643	455	–	455
Tax loss/credit carryforwards	129	1	128	122	–	122
Other items[1]	0	213	-213	–	253	-253
Deferred tax assets/liabilities	**3 143**	**3 304**	**-161**	**2 814**	**2 227**	**587**
Netting of assets/liabilities	-1 567	-1 567		-1 305	-1 305	–
Net deferred tax balances	**1 576**	**1 737**	**-161**	**1 509**	**922**	**587**

[1] Other items primarily relate to provision for taxes on profit repatriation.

Epiroc has tax loss carryforwards of 301 (287), for which no deferred tax assets have been recognized. Such tax loss carryforwards expire as indicated below.

EXPIRATION OF UNUSED TAX LOSS CARRYFORWARDS

	2024	2023
Expires after 1-2 years	5	81
Expires after 3-4 years	5	3
Expires after 5-6 years	74	3
Expires after 6 or more years	22	61
No expiry date	195	139
Total	**301**	**287**

11. Other comprehensive income

OTHER COMPREHENSIVE INCOME FOR THE YEAR

	2024			2023		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Attributable to owners of the parent						
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	204	-45	159	-387	81	-306
Items that may be reclassified subsequently to profit or loss						
Translation differences on foreign operations	1 456	–	1 456	-1 356	–	-1 356
Hedge of net investments in foreign operations	251	–	251	–	–	–
Cash flow hedges	-288	8	-280	-81	17	-64
Total other comprehensive income	**1 623**	**-37**	**1 586**	**-1 824**	**98**	**-1 726**
Attributable to non-controlling interests						
Translation differences on foreign operations	3	–	3	-16	–	-16
Total other comprehensive income	**1 626**	**-37**	**1 589**	**-1 840**	**98**	**-1 742**

12. Earnings per share

ACCOUNTING POLICY

Basic earnings per share are calculated based on the profit for the year attributable to owners of the parent and the basic number of shares outstanding adjusted for any subsequent split made prior to the release of the financial statements. Diluted earnings per share are calculated based on the profit for the year attributable to owners of the parent and the diluted number of shares outstanding. Dilutive effects arise from stock options that are settled in shares. Stock options have a dilutive effect when the average share price during the period exceeds the exercise price of the options. When calculating the dilutive effect, the exercise price is adjusted by the value of future services related to the options.

EARNINGS PER SHARE

SEK	2024	2023
Basic earnings per share	7.23	7.82
Diluted earnings per share	7.23	7.81

The calculation of earnings per share presented above is based on profits and average number of shares as detailed below.

PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT

	2024	2023
Profit for the year	8 731	9 431

AVERAGE NUMBER OF SHARES OUTSTANDING

	A shares		B shares		Total	
In thousands of shares	2024	2023	2024	2023	2024	2023
Basic weighted average number of shares outstanding	817 871	816 502	389 973	389 973	1 207 844	1 206 475
Effect of employee stock options	519	950	-	-	519	950
Diluted weighted average number of shares outstanding	**818 390**	**817 452**	**389 973**	**389 973**	**1 208 363**	**1 207 425**

13. Intangible assets

ACCOUNTING POLICY

Goodwill
Goodwill is recognized at its acquisition cost, as determined on the date of acquiring a business, reduced by any accumulated impairment losses. Goodwill is allocated to the cash-generating units (CGUs) expected to benefit from the synergies resulting from the business combination. The divisions represent the operating segments and Epiroc has identified the operating segments as CGUs. Impairment testing is performed at least annually or whenever the need is indicated. Goodwill is reported as an intangible asset with an indefinite useful life.

Technology-based intangible assets
Expenditures related to research activities are expensed as they are incurred. Research projects acquired as part of business combinations are initially recognized at their fair value as of the acquisition date. After initial recognition, these research projects are carried at cost, less any amortization and impairment losses. Expenditures associated with development activities are also expensed as incurred unless they meet specific criteria for capitalization:
- the product or process under development is estimated to be technically and commercially feasible with the potential to generate probable future benefits.
- the Group has the intent and capability to complete, sell, or utilize the product or process.
- the Group can reliably measure the expenditures directly attributable to the development of the intangible asset.

Capitalized expenditure includes the cost of materials, direct labor, and other costs directly attributable to the project. Capitalized development expenditure is recorded at cost, reduced by accumulated amortization and impairment losses.

Other intangible assets
Other intangible assets include trademarks, marketing and customer related intangible assets and contract-based rights, such as licenses or franchise agreements. Other intangible assets acquired in relation to contract-based rights, including licenses or franchise agreements, are initially capitalized at their fair value upon acquisition and subsequently reported at cost, reduced by accumulated amortization and impairment losses. Expenditure on internally generated goodwill, trademarks and similar items is expensed as incurred.

The estimated useful lives are as follows:

Technology-based intangible assets	3–15 years
Trademarks	4–10 years
Marketing and customer related intangible assets	4–10 years

Straight-line basis amortization is utilized as the method for allocating the cost of an asset over its useful life and residual values. The useful life and residual values are reassessed annually or more frequently if there are indications of impairment.

Climate risks create uncertainties in the assessment of useful life of intangible assets. Climate-related regulations may also lead to changes in useful life and impairment assessments. Legal or regulatory limitations related to emissions or sustainability practices could also impact the recoverable value of intangible assets.

Research and development related to climate-change mitigation might provide opportunities for Epiroc and could create new intangible assets while failure to invest in climate-related research and development may lead to missed opportunities, increased impairments or negative impact on the recoverable value of existing intangible assets.

Considerations related to climate risks have not had any significant impact on the financial reporting including any changes of useful economic lives of intangible assets.

Impairment
Goodwill is allocated and tested at the level of cash-generating units, which are identified as Epiroc's operating segments. The Group conducts a periodic assessment of the carrying values of its non-financial assets, which takes place annually or whenever there are indications of impairment. When such indications are identified, the Group proceeds to estimate the recoverable amount of the asset. The recoverable amount for each cash-generating unit has been determined based on the value in Epiroc's valuation model. Epiroc's valuation model is based on discounted future cash flows, with a forecast period of either five years or ten years, depending on applicability. The forecast period for goodwill allocated to Digital Solutions Division is based on ten years which is aligned with the planning horizon and decision-making process for the recent acquisitions as well as the Epiroc branded digital offering. The forecast is based on the business plan of each operating segment, considering the characteristics and development of its specific end markets. This assessment is based on both internal and external sources and reflects management's best estimate of the trajectory of its business operations. The parameters used to calculate future cash flows are assumptions on revenue growth, gross margin development, functional cost efficiency, as well as capital efficiency. This includes planned capital expenditures and target levels of working capital. Epiroc's weighted average cost of capital (WACC) is calculated at 8% (8) after tax. Since the operating segments are all relatively diversified but with similar geographic coverage and share similar organizational structures and customer bases, the same discount rate is applied to all segments. The perpetual growth beyond the forecast period is assumed as 2% (2).

An impairment loss is acknowledged when the carrying value of an asset or its cash-generating unit (CGU) surpasses its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. When determining value in use, the estimated future cash flows are discounted to their present value, employing a discount rate that reflects the current market's assessment of the time value of money and the specific risks associated with the asset or CGU. Impairment loss related to goodwill is not subject to reversal in contrast to other assets where impairment losses incurred in previous periods are subject to periodic review with possibility of impairment reversal.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Impairment of goodwill
Key sources of estimation uncertainty
Asset impairment requires management's judgment, particularly in assessing:
- whether an event has occurred that may affect asset values,
- whether the carrying value of an asset can be supported by the net present value of future cash flows, which are estimated based upon the continued use of the asset in the business,
- the appropriate assumptions to be applied in preparing cash flow projections, and
- the discounting of these cash flows.

Changing the assumptions selected by management to determine the level of impairment, if any, could affect the financial position and results of operation.

In 2024, the estimated value of all Epiroc's operating segments exceeded their carrying values, and no impairment was recognized. Epiroc also performed sensitivity analysis including a range for the most critical assumptions, including revenue growth, gross margin development, WACC and perpetual growth rate, and concluded that neither of these scenarios would give rise to any impairment charge.

The table presents the carrying value of goodwill allocated to operating segments (cash-generating units) and reporting segments.

GOODWILL

	2024	2023
Underground Division	1 604	1 140
Surface Division	3 196	1 704
Parts & Services Division APAC	790	905
Parts & Services Division NASA	463	692
Parts & Services Division EMEA	90	74
Digital Solutions Division	2 301	2 181
Equipment & Service	**8 444**	**6 696**
Tools Division	1 108	1 000
Attachments Division	7 147	2 526
Tools & Attachments	**8 255**	**3 526**
Total	**16 699**	**10 222**

Amortization and impairment of intangible assets are recognized on the following line items in the income statement:

	2024		2023	
	Internally generated	Acquired	Internally generated	Acquired
Cost of sales	–	49	8	–
Administrative expenses	89	55	76	43
Marketing expenses	–	329	–	241
Research and development expenses	342	520	275	252
Total	**431**	**953**	**359**	**536**

Impairment charges on intangible assets totaled 347 (56), of which 303 (48) were classified as research and development expenses and 44 (8) were classified as marketing expenses in the income statement.

	Internally generated		Acquired				
2024	Product development	Other technology and contract based	Trademarks	Marketing and customer related	Other technology and contract based	Goodwill	Total
Cost							
Opening balance, Jan. 1	4 448	809	465	2 043	2 915	10 222	20 902
Additions	741	7	–	–	218	–	966
Acquisition of business	–	–	768	1 275	986	6 094	9 123
Disposals	-358	-16	–	-210	-30	–	-614
Reclassifications	-5	–	–	–	-2	–	-7
Translation differences	139	10	28	65	72	383	697
Closing balance, Dec. 31	**4 965**	**810**	**1 261**	**3 173**	**4 159**	**16 699**	**31 067**
Amortization and impairment losses							
Opening balance, Jan. 1	3 067	378	174	516	924	–	5 059
Amortization for the period	342	89	79	225	302	–	1 037
Impairment charge for the period	–	–	12	32	303	–	347
Disposals	-358	-15	–	-210	-30	–	-613
Reclassifications	-5	–	–	–	-1	–	-6
Translation differences	111	9	3	22	23	–	168
Closing balance, Dec. 31	**3 157**	**461**	**268**	**585**	**1 521**	–	**5 992**
Carrying amounts							
At Jan. 1	1 381	431	291	1 527	1 991	10 222	15 843
At Dec. 31	**1 808**	**349**	**994**	**2 588**	**2 637**	**16 699**	**25 075**

2023	Internally generated Product development	Internally generated Other technology and contract based	Acquired Trademarks	Acquired Marketing and customer related	Acquired Other technology and contract based	Acquired Goodwill	Total
Cost							
Opening balance, Jan. 1	4 051	376	507	1 305	2 982	8 275	17 496
Additions	523	17	5	–	98	–	643
Acquisition of business	–	–	-28	829	527	2 414	3 742
Disposals	-39	-44	–	-4	-130	–	-217
Reclassifications	-3	466	–	–	-464	–	-1
Translation differences	-84	-6	-19	-87	-98	-467	-761
Closing balance, Dec. 31	**4 448**	**809**	**465**	**2 043**	**2 915**	**10 222**	**20 902**
Amortization and impairment losses							
Opening balance, Jan. 1	2 872	344	98	382	727	–	4 423
Amortization for the period	279	84	75	156	245	–	839
Impairment charge for the period	-4	–	8	–	52	–	56
Disposals	-16	-44	–	-1	-78	–	-139
Translation differences	-64	-6	-7	-21	-22	–	-120
Closing balance, Dec. 31	**3 067**	**378**	**174**	**516**	**924**	**–**	**5 059**
Carrying amounts							
At Jan. 1	1 179	32	409	923	2 255	8 275	13 073
At Dec. 31	**1 381**	**431**	**291**	**1 527**	**1 991**	**10 222**	**15 843**

Other technology and contract based intangible assets include computer software, patents, trademarks, customer relationships and contract based rights such as licenses and franchise agreements.

14. Property, plant and equipment

ACCOUNTING POLICY

Property, plant and equipment
Property, plant, and equipment items are carried at cost less accumulated depreciation and impairment losses. The cost of an asset within this category encompasses several components, including the purchase price, import duties, and any expenses directly associated with placing the asset in the required location and condition for use. The cost also includes dismantlement and removal of the asset in the future, if applicable. Borrowing costs incurred for assets requiring a substantial period to get ready for their intended use are included in the cost value until the assets are substantially prepared for their use or sale, after which they are subject to depreciation.

The Group adheres to a policy of capitalizing costs upon initial recognition and for the replacement of substantial parts of property, plant, and equipment, provided that it is probable the future economic benefits associated with these expenditures will accrue to the Group, and the costs can be reliably measured. Conversely, all other expenses are immediately recognized in the profit or loss statement upon their incurrence.

Rental equipment
The rental fleet includes drill rigs, mine trucks, loaders, and to a lesser extent hydraulic attachments, simulators and other mining and construction equipment. Rental equipment is initially recognized at cost and is depreciated over the estimated useful life of the equipment. The depreciation of rental equipment is structured with consideration for a residual value, estimated within a range of 0-10% of the equipment's cost.

Depreciation and amortization
Depreciation and amortization are calculated based on the cost of the asset and are applied using the straight-line method over the estimated useful life. In cases where certain components of property, plant, and equipment have a substantial cost relative to the total cost of the item and do not share a corresponding useful life, they are depreciated separately.

The estimated useful lives are as follows:

Buildings	25–50 years
Machinery and equipment	3–10 years
Vehicles	4–5 years
Computer hardware and software	3–10 years
Rental equipment	3–8 years

The useful life and residual values are reassessed annually or more often if there are indications of impairment. Land and assets under construction are not depreciated or amortized.

Epiroc considers climate risk factors when evaluating the estimated useful life of property, plant and equipment. The heightened occurrence and severity of extreme weather events, such as floods and storms, could impact the production capacity and maintenance of buildings and equipment. Additionally, water shortages in specific regions may also affect production capacity. If innovations lead to alternatives with lower climate impact, older equipment may become obsolete earlier than anticipated. Additionally, stricter regulations and increased requirements related to climate and environmental protection may impact the use and valuation of certain equipment.

Considerations related to climate risks have not had any significant impact on the financial reporting including any changes of useful economic lives of tangible assets.

2024	Buildings and land	Machinery and equipment	Construction in progress and advances	Right-of-use asset	Total	Rental equipment	Right-of-use asset	Total Rental equipment
Cost								
Opening balance, Jan. 1	1 952	6 504	598	3 919	12 973	2 815	6	2 821
Additions	35	284	571	1 189	2 079	878	–	878
Acquisition of business	477	566	29	197	1 269	–	–	–
Divestment of business	–	–	-2	–	-2	–	–	–
Disposals	-16	-276	0	-373	-665	-729	–	-729
Reclassifications	155	366	-615	-6	-100	-48	-7	-55
Translation differences	88	178	8	109	383	76	–	76
Closing balance, Dec. 31	**2 691**	**7 622**	**589**	**5 035**	**15 937**	**2 992**	**-1**	**2 991**
Depreciation and impairment losses								
Opening balance, Jan. 1	676	4 656	–	1 609	6 941	1 233	6	1 239
Depreciation for the period	102	577	–	724	1 403	657	–	657
Disposals	-14	-257	–	-323	-594	-398	–	-398
Reclassifications	18	31	–	-6	43	-79	–	-79
Translation differences	27	141	–	43	211	36	–	36
Closing balance, Dec. 31	**809**	**5 148**	–	**2 047**	**8 004**	**1 449**	**6**	**1 455**
Carrying amounts								
At Jan. 1	1 276	1 848	598	2 310	6 032	1 582	–	1 582
At Dec. 31	**1 882**	**2 474**	**589**	**2 987**	**7 932**	**1 543**	–	**1 543**

Set out below are the carrying amounts of right-of-use assets by class of underlying asset recognized. See also note 23.

RIGHT-OF-USE ASSETS

2024	Buildings and land	Machinery and equipment	Total	Rental equipment
Carrying amounts, Jan. 1	1 886	423	2 310	–
Carrying amounts, Dec. 31	**2 389**	**601**	**2 987**	–

2023	Buildings and land	Machinery and equipment	Construction in progress and advances	Right-of-use asset	Total	Rental equipment	Right-of-use asset	Total Rental equipment
Cost								
Opening balance, Jan. 1	1 787	6 180	463	3 600	12 030	2 602	6	2 608
Additions	28	398	618	675	1 719	1 095	–	1 095
Acquisition of business	97	177	24	64	362		–	–
Disposals	-36	-397	-10	-300	-743	-604	–	-604
Reclassifications	131	335	-486	–	-20	-201	–	-201
Translation differences	-55	-189	-11	-120	-375	-77	–	-77
Closing balance, Dec. 31	**1 952**	**6 504**	**598**	**3 919**	**12 973**	**2 815**	**6**	**2 821**
Depreciation and impairment losses								
Opening balance, Jan. 1	653	4 638	–	1 310	6 601	1 145	5	1 150
Depreciation for the period	79	511	–	616	1 206	557	1	558
Impairment charge for the period	–	4	–	–	4	–	–	–
Disposals	-24	-372	–	-271	-667	-292	–	-292
Reclassifications	-2	2	–	–	–	-137	–	-137
Translation differences	-30	-127	–	-46	-203	-40	–	-40
Closing balance, Dec. 31	**676**	**4 656**	–	**1 609**	**6 941**	**1 233**	**6**	**1 239**
Carrying amounts								
At Jan. 1	1 134	1 542	463	2 290	5 429	1 457	1	1 458
At Dec. 31	**1 276**	**1 848**	**598**	**2 310**	**6 032**	**1 582**	**0**	**1 582**

Depreciation and impairment of tangible assets are recognized on the following line items in the income statement:

	2024	2023
Cost of sales	1 454	1 230
Administrative expenses	394	341
Marketing expenses	110	115
Research and development expenses	60	47
Other operating expenses	42	35
Total	**2 060**	**1 768**

Depreciation for the period relating to right-of-use assets amounted to a total of 724 (617), of which 515 (444) relates to Buildings and land, 209 (172) to Machinery and equipment and 0 (1) to Rental equipment.

15. Investments in associated companies

An associated company is an entity in which the Group has significant influence, but not control, over financial and operating policies. When the Group holds 20–50% of the voting power, it is presumed that significant influence exists, unless otherwise demonstrated. Investments in associated companies are reported according to the equity method.

ACCUMULATED CAPITAL PARTICIPATION

	2024	2023
Opening balance, Jan. 1	49	67
Impairment	0	–
Profit for the year after income tax [1)]	-20	-15
Translation differences	5	-3
Closing balance, Dec. 31	**34**	**49**

1) Including the share of results in ASI Mining LLC until July 3, when Epiroc acquired the remaining 66% of ASI Mining LLC.

SUMMARY OF FINANCIAL INFORMATION FOR ASSOCIATED COMPANIES

2024	Country	Assets	Liabilities	Equity	Revenues	Profit for the year	Group's share, %
Shenzhen Nectar Engineering & Equipment Co. Ltd.	China	191	100	91	220	1	25
Glass Terra Pty Ltd.	Australia	0	0	0	0	0	27
Sirius Consulting Pty Ltd.	South Africa	13	4	9	5	10	50

2023	Country	Assets	Liabilities	Equity	Revenues	Profit for the year	Group's share, %
Shenzhen Nectar Engineering & Equipment Co. Ltd.	China	210	127	83	167	1	25
ASI Mining LLC	USA	174	238	-64	306	-26	34
Glass Terra Pty Ltd.	Australia	1	0	1	0	0	27
Sirius Consulting Pty Ltd.	South Africa	2	0	2	6	2	50

The above table is based on the most recent financial reporting available from associated companies. The Epiroc percentage share of each holding represents both ownership interest and voting rights.

16. Other financial assets

Fair value of financial instruments under other financial assets corresponds to their carrying value.

	2024	2023
Non-current assets		
Pension plan assets in excess of pension obligations (note 24)	315	237
Derivatives		
- designated for hedge accounting	197	4
Available-for-sale investments	30	14
Financial assets classified at amortized cost		
– finance lease receivables	492	446
– other financial receivables	1 191	948
Closing balance, Dec. 31	**2 225**	**1 649**
Current assets		
Derivatives		
– recognized at fair value through profit and loss	228	461
– designated for hedge accounting	3	51
Financial assets classified at amortized cost		
– finance lease receivables	299	341
– other financial receivables	953	850
Closing balance, Dec. 31	**1 483**	**1 703**

The gross amount of finance lease receivables amounted to 792 (790), of which 1 (3) have been impaired. The gross amount of other financial receivables amounted to 2 152 (1 811), of which 8 (13) have been impaired. The total estimated fair value of collateral to finance lease receivables and other financial receivables was 292 (621) and 1 461 (1 358), respectively, consisting primarily of repossession rights. See note 23 for information regarding finance leases for Group as lessor and note 30 for information on credit risk.

17. Inventories

ACCOUNTING POLICY

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recognized according to the first-in-first-out principle and include the cost of acquiring inventories and bringing them to their existing location and condition, or through a method that is built on weighted average prices. Inventories of similar nature are valued according to the same method. Inventories manufactured by the Group and work in progress include an appropriate share of production overheads based on normal operating capacity. Inventories are reported net of deductions for obsolescence and internal profits arising in connection with deliveries from the production companies to the distribution and customer centers.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group values inventory at the lower of historical cost, based on the first-in-first-out basis, and net realizable value. The calculation of net realizable value involves management's judgment as to the estimated sales prices, overstock articles, outdated articles, damaged goods, and selling costs. If the estimated net realizable value is lower than historical cost, a valuation allowance is established for inventory obsolescence.

	2024	2023
Raw materials	1 451	692
Work in progress	3 266	3 180
Semi-finished goods	2 724	3 193
Finished goods	11 750	11 682
Closing balance, Dec. 31	**19 191**	**18 747**

Provisions for obsolescence and other write-downs of inventories recorded as cost of sales amounted to 850 (741). Reversals of write-downs which were recognized in earnings totaled 265 (191). Previous write-downs have been reversed as a result of improved market conditions in certain markets. Inventories recognized as expenses amounted to 29 960 (26 073).

18. Trade receivables

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Trade and financial receivables

Key sources of estimation uncertainty

The Group measures the expected credit losses on financial assets classified at amortized cost including trade and financial receivables, lease receivables and contract assets. The expected credit losses are an assessment that reflects an unbiased, expected outcome based on reasonable and supportable forecasts.

Accounting judgment

Management's judgment considers rapidly changing market conditions which may be particularly sensitive in customer financing operations. An overall control is performed to ensure that an adequate loss allowance is recognized.

Fair value for trade receivables corresponds to their carrying value. Trade receivables are classified at amortized cost.

TRADE RECEIVABLES

	2024		2023	
Gross value	Gross	Impaired	Gross	Impaired
Not past due	8 757	9	7 197	8
Past due				
0-30 days	1 975	5	1 802	1
31-60 days	578	1	681	3
61-90 days	348	2	265	2
More than 90 days	1 296	513	1 086	562
Total	**12 954**	**530**	**11 031**	**576**

Trade receivables relate to a large number of customers, spread across diverse geographical areas and reflect the spread of sales. Stringent credit policies are applied and there is no major concentration of credit risk, the Group therefore evaluates the credit risk to be limited.

EXPECTED CREDIT LOSSES, TRADE RECEIVABLES

	2024	2023
Provisions at Jan. 1	576	773
Business acquisitions and divestments	0	1
Provisions recognized for expected credit losses	189	125
Release of unutilized provisions	-143	-173
Write-offs	-120	-99
Translation differences	28	-51
Closing balance, Dec. 31	**530**	**576**

Trade receivables of 12 424 (10 455) are reported net of impairment amounting to 530 (576). The expected credit loss amounted to 4.1% (5.2) of gross total customer receivables. Impairment recognized in the income statement totaled 189 (125). Trade receivables are non--interest bearing and are generally on terms of 30 to 60 days. The acquisition of subsidiaries increased trade receivables by 525 (553) at date of completion of the acquisitions.

The impairment assessed for individual receivables affected the loss provision negatively. The change in the provision for potential credit losses is due to assessments made on an individual basis for each receivable, which also takes into account future ability to pay, changed market conditions, and is not always linked to a change in the size of the balance sheet item.

19. Other receivables

Fair value for other receivables corresponds to their carrying value.

	2024	2023
Other receivables	2 365	1 914
Accrued income	514	445
Prepaid expenses	989	734
Closing balance, Dec. 31	**3 868**	**3 093**

Other receivables consist primarily of VAT claims and advances to suppliers. Accrued income relates mainly to service and construction projects. Prepaid expenses include items such as rent, insurance, interest, IT and employee costs. Other receivables are reported net of impairments. See note 30 for information regarding derivatives.

20. Cash and cash equivalents

Cash and cash equivalents are classified at amortized cost. Fair value corresponds to their carrying value. Cash equivalents consist of short-term bank deposits with a maturity less than three months and investments in liquidity funds that can easily be converted into cash. Cash and cash equivalents are subject to impairment testing according to the expected credit loss model. During 2024 the impairment was insignificant and therefore not recognized.

Cash and cash equivalents had an estimated average effective interest rate of 3.1% (2.9).

The committed, but unutilized, credit line is 4 000 (4 000), see note 22 for additional information.

	2024	2023
Cash	5 112	4 041
Cash equivalents	2 068	2 360
Closing balance, Dec. 31	**7 179**	**6 401**

21. Equity

At year-end, Epiroc's share capital totaled 500 (500). The total number of issued Epiroc shares was 1 213 738 703 (1 213 738 703) shares, of which 823 765 854 (823 765 854) were class A shares and 389 972 849 (389 972 849) were class B shares, each with a quota value of approximately SEK 0.41 (0.41). Class A shares entitle the owner to one vote while class B shares entitle the owner to one tenth of a vote. Class A shares and class B shares carry equal rights to a part of the company's assets upon liquidation and distribution of dividends.

The Board of Directors of Epiroc has been granted a mandate by Epiroc's Annual General Meeting on May 14, 2024, to repurchase, transfer and sell own shares in order to fulfill the obligations under Epiroc's performance based employee stock option plans. Repurchase and sale will be made at a price per share within the registered trading interval, at any given point in time. The mandate is valid until Epiroc's Annual General Meeting 2025 and allows:

1) The acquisition of not more than 1 950 000 series A shares, of which a maximum of 1 900 000 may be transferred to option holders under the performance based personnel option plan 2024.
2) The acquisition of not more than 20 000 series A shares, later to be sold on the market in connection with payment to Board members who have opted to receive synthetic shares as part of their remuneration.
3) The sale of not more than 60 000 series A shares to cover costs related to previously issued synthetic shares to Board members.
4) The sale of a maximum 4 000 000 series A shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the performance based personnel option plans 2018, 2019, 2020 and 2021.

The Board of Directors of Epiroc has been granted a mandate by Epiroc's Annual General Meeting on May 23, 2023, to repurchase, transfer and sell own shares in order to fulfill the obligations under Epiroc's performance based employee stock option plans. Repurchase and sale will be made at a price per share within the registered trading interval, at any given point in time. The mandate was valid until Epiroc's Annual General Meeting 2024 and allowed:

1) The acquisition of not more than 1 700 000 series A shares, of which a maximum of 1 600 000 may be transferred to option holders under the performance based personnel option plan 2023.
2) The acquisition of not more than 20 000 series A shares, later to be sold on the market in connection with payment to Board members who have opted to receive synthetic shares as part of their remuneration.
3) The sale of not more than 60 000 series A shares to cover costs related to previously issued synthetic shares to Board members.
4) The sale of a maximum 4 000 000 series A and series B shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the performance based personnel option plans 2017, 2018, 2019 and 2020.

During 2024 Epiroc divested 1 405 910 class A shares in accordance with mandates granted by the 2024 and 2023 Annual General Meeting. As of December 31, 2024, Epiroc AB held 5 362 105 (6 768 015) class A shares. More information regarding employee stock option plans can be found in note 25.

Reserves
Consolidated equity includes certain reserves which are described below:

Translation reserve
The translation reserve comprises all exchange differences arising from the translation of the financial statements of foreign operations, the translation of intra-group receivables from or liabilities to foreign operations that in substance are part of the net investment in the foreign operations, as well as from the translation of liabilities that hedge the company's net investments in foreign operations.

Cash flow hedges
Cash flow hedges amounts to 1 (30). See note 30 for more information.

Non-controlling interest
The non-controlling interest amounts to 423 (388).

Appropriation of profit
The Board of Directors proposes a dividend of SEK 3.80 (3.80) per share, totaling 4 592 (4 591) if shares held by the Company on December 31, 2024, are excluded.

Amounts in SEK	
Retained earnings including reserve for fair value	45 043 670 204
Profit for the year	4 097 048 636
Total	**49 140 718 840**
The Board of Directors proposes that these earnings shall be appropriated as follows;	
To the shareholders, a dividend of SEK 3.80 per share[1]	4 591 831 072
To be retained in the business	44 548 887 768
Total	**49 140 718 840**

[1] Based on number of shares outstanding at the balance sheet date.

The proposed dividend for 2023 of SEK 3.80 per share, that was approved by the Annual General Meeting on May 14, 2024, was accordingly paid by Epiroc AB. Total dividend paid amounted to SEK 4 590 622 228.

22. Borrowings

	Maturity	2024 Carrying amount	2024 Fair value	2023 Carrying amount	2023 Fair value
Non-current					
Medium Term Note Program MSEK 1 000, Fixed	2026	999	981	998	951
Medium Term Note Program MSEK 1 000, Floating	2026	999	1 009	999	1 010
Medium Term Note Program MSEK 1 500, Fixed	2027	1499	1561	1498	1560
Medium Term Note Program MSEK 500, Floating	2027	500	508	499	508
Medium Term Note Program MSEK 1 000, Fixed	2028	999	1 056	999	1 054
Medium Term Note Program MSEK 500, Floating	2028	499	509	499	508
Medium Term Note Program MSEK 500, Fixed	2029	500	541	500	532
Medium Term Note Program MEUR 500, Fixed	2031	5 681	6 032	–	–
Bilateral borrowings MSEK 1 000, Floating	2027	999	1 043	999	2 058
Bilateral borrowings MSEK 2 000, Floating	2028	1 996	2 042	1 994	1 057
Bilateral borrowings MSEK 1 000, Floating	2029	997	1 042	997	1043
Bilateral borrowings MAUD 200, Floating	2034	1 368	1 563	–	–
Other bank loans		105	105	35	35
Less current portion of long-term borrowings		-4	-4	-5	-5
Total non-current bonds and loans		**17 137**	**17 988**	**10 012**	**10 311**
Lease liabilities		2 336	2 336	1 808	1 808
Other financial liabilities		139	139	2	2
Total non-current borrowings		**19 612**	**20 463**	**11 822**	**12 121**
Current					
Current portion of long-term borrowings		4	4	5	5
Loans		186	186	112	112
Lease liabilities		792	792	596	596
Commercial papers		1 111	1 111	1 031	1 031
Other financial liabilities		312	312	409	409
Total current borrowings		**2 405**	**2 405**	**2 153**	**2 153**
Closing balance, Dec. 31		**22 017**	**22 868**	**13 975**	**14 274**

The difference between carrying amount and fair value of borrowings relates to the measurement method as certain liabilities are reported at amortized cost and not at fair value. See additional information about the Group's exposure to interest rate risk and foreign currency risk in note 30.

Debt in the Group is primarily raised by the Parent Company and transferred to subsidiaries as internal loans or capital injections. Financing is also undertaken locally in countries in which there are legal restrictions preventing financing through Group companies. In February, the Group issued a bond of MEUR 500 maturing in 2031 and in October the Group entered a bilateral loan of MAUD 200 maturing 2034 that is linked to Epiroc's sustainability goals. Further, the bilateral sustainability-linked credit facility of MSEK 1 000 has been prolonged one year and is maturing in 2029.

In December 2022, S&P Global Ratings affirmed Epiroc's BBB+ credit rating with a stable outlook. The table below shows the Group's back-up facilities.

BACK-UP FACILITIES

	2024 Facility size	2024 Utilized	2023 Facility size	2023 Utilized
Revolving credit facility[1]	4 000	-	4 000	-
Commercial paper program	2 000	1 111	2 000	1 031
Total back-up facilities	**6 000**	**1 111**	**6 000**	**1 031**

[1] The revolving credit facility matures in 2029.

RECONCILIATION OF CHANGES IN LIABILITIES

2024	Opening balance	Financing cash flows	New leases	Other changes in lease liabilities	Acquired/ divested companies	Fair value change through P/L	Foreign exchange movement	Reclassification	Closing balance
Non-current									
Loans and bonds	10 012	7 017	–	–	2	11	99	-4	17 137
Lease liabilities	1 808	-54	781	-27	150	–	52	-374	2 336
Other financial liabilities	2	133	–	–	0	–	–	4	139
Total non-current borrowings	**11 822**	**7 096**	**781**	**- 27**	**152**	**11**	**151**	**-374**	**19 612**
Current									
Loans	117	48	–	–	20	–	6	–	190
Lease liabilities	596	-629	408	-22	47	–	17	374	792
Other financial liabilities	1 440	-255	–	–	231	–	7	0	1 423
Total current borrowings	**2 153**	**-836**	**408**	**-22**	**298**	**0**	**30**	**374**	**2 405**
Total	**13 975**	**6 260**	**1 189**	**-49**	**450**	**11**	**181**	**0**	**22 017**

2023	Opening balance	Financing cash flows	New leases	Other changes in lease liabilities	Acquired/ divested companies	Fair value change through P/L	Foreign exchange movement	Reclassification	Closing balance
Non-current									
Loans and bonds	7 032	1 934	–	–	1 078	-5	-25	-2	10 012
Lease liabilities	1 842	-56	370	-15	16	–	-56	-293	1 808
Other financial liabilities	3	-1	–	–	–	–	–	–	2
Total non-current borrowings	**8 877**	**1 877**	**370**	**-15**	**1 094**	**-5**	**-81**	**-295**	**11 822**
Current									
Loans	1 329	-1 384	-	-	183	–	-13	2	117
Lease liabilities	538	-520	304	-19	23	–	-23	293	596
Other financial liabilities	132	1 308	1	–	–	–	-1	–	1 440
Total current borrowings	**1 999**	**-596**	**305**	**-19**	**206**	**0**	**-37**	**295**	**2 153**
Total	**10 876**	**1 281**	**675**	**-34**	**1 300**	**-5**	**-118**	**0**	**13 975**

23. Leases

ACCOUNTING POLICY

Group as the Lessee
The Group recognizes a right-of-use asset and a corresponding lease liability on the balance sheet at the lease commencement date. The lease liability's initial measurement is based on the present value of unpaid lease payments, employing the contract's implicit interest rate or, when not readily available, the incremental borrowing rate. This rate takes into consideration country-specific risks. This includes fixed and variable payments, residual value guarantees, and lease payments linked to options reasonably expected to be exercised.

The lease liability is adjusted when there are changes in lease terms, purchase option assessments, variations in lease payments due to index fluctuations, or modifications to the lease contract, using recalculated discount rates.

Lease contracts involving low-value assets or with a term of less than 12 months are treated differently. Such payments are recognized as expenses over the lease term. Variable non-lease components, like service-related components, are expensed over the lease term.

The Group's leasing contracts primarily encompass properties, machinery, technical assets, equipment, and installations, including facilities, offices, technical assets, and company cars. Lease agreements for office and factory facilities, as well as machinery, generally have durations ranging from 3 to 15 years, while motor vehicles and other equipment typically feature lease terms spanning 2 to 5 years. A limited number of these leasing contracts offer purchase and renewal options. With regards to machinery, there is often an option to acquire the underlying asset and extend the contract, and for premises, an extension option is available.

Consolidated Balance Sheet and Cash Flow
In the consolidated balance sheet, the Group categorizes lease liabilities into two sections: "non-current interest-bearing liabilities" and "current interest-bearing liabilities". For more details on the right-of-use asset, see note 14.

In the consolidated statement of cash flows, the Group includes a line item labeled "Payment of lease liabilities". This line item represents the amortization of liabilities arising from lease agreements and is included to account for the depreciation of the right to use the leased assets. Additionally, there is another line item labeled "Net financial items received/paid" which encompasses the portion of lease expenses related to ongoing interest costs on lease agreements. This includes any adjustments resulting from changes in the discount rates used for present value calculations.

Group as the Lessor
Lease contracts, provided by Epiroc Financial Solutions and certain other subsidiaries, are divided into two categories: operating and finance leases.

When the Group is acting as a lessor under an operating lease, the Group classifies the asset as rental equipment. Operating leases result in the recognition of assets valued at cost, accounting for depreciation over the contract term and considering future realizable value and residual value risks. Lease income is evenly distributed throughout the contract period.

In finance leases where the Group acts as the lessor, the transaction is recorded as a sale, creating a lease receivable that encompasses future minimum lease payments and any residual value guaranteed to the lessor. Lease payments represent both the repayment of the lease receivable and interest income.

In instances involving intermediate lessor roles, the Group accounts separately for head-lease and sub-lease arrangements, taking into consideration the right-of-use asset arising from the head-lease.

Leases – lessee

The carrying amount of right-of-use assets as of December 31, 2024, amounted to 2 987 (2 310). See note 14 for the carrying amounts of right-of-use assets by class of underlying asset recognized and movements during the period.

The carrying amounts of lease liabilities (included under interest-bearing liabilities) are presented below.

Lease liability	2024	2023
Carrying amounts, Jan. 1	2 404	2 380
Carrying amounts, Dec. 31	**3 128**	**2 404**
Non-current	2 336	1 808
Current	792	596
Total	**3 128**	**2 404**

See note 30 for maturity analysis of the lease liability. The Group had a cash outflow for lease liabilities of 667 (573), see note 22 for more information.

The amounts recognized in the income statement are the following;

	2024	2023
Costs for low value leases	-16	-21
Costs for short-term leases	-25	-28
Variable lease payments not included in the lease liability	-7	-8
Income from subleasing right-of-use assets	-1	-1
Interest expenses on lease liability	-121	-86
Depreciation for the period	-724	-617

For information on financial exposure and policies for control of financial risks see note 30.

Leases – lessor

Operating leases – lessor

Future payments for non-cancelable operating leasing contracts fall due as follows:

Fall due year:	2024	2023
2024		247
2025	213	67
2026	78	26
2027	88	4
2028	15	–
2029	3	–
Total	**397**	**344**

During 2024, lease income relating to operating lease contracts amounted to 553 (579).

Finance leases – lessor

See note 30 for information on financial exposure and policies for control of financial risks. Future lease payments to be received fall due as follows:

Fall due year:	2024	2023
2024		317
2025	72	225
2026	215	116
2027	117	94
2028	282	37
2029	106	–
Undiscounted lease payments	**792**	**789**
Unguaranteed residual value	2	6
Less: Unearned finance income	2	4
Present value of lease payments receivable	**792**	**791**
Impairment loss allowance	-1	-4
Net investment in the lease	**791**	**787**

The selling profit/loss (net) recognized in the income statement amounted to 147 (109), and the finance income on the net investment in the lease amounted to 0 (1).

24. Post-employment benefits

ACCOUNTING POLICY

Post-employment benefit plans are classified either as defined contribution or defined benefit plans. Under a defined contribution plan, the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employee benefits. Contributions to defined contributions plans are expensed when employees provide services entitling them to the contribution.

Defined benefit plans are the Group's obligation to provide agreed benefits to current and former employees. The net obligation of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in return for their services in current and prior periods.

The amount is discounted to determine its present value and the fair values of any plan assets are deducted. Funded plans with net assets, i.e., plans with assets exceeding the commitments, are reported as non-current financial assets.

The costs for defined benefit plans are calculated using the Projected Unit Credit Method, which distributes the cost over the employee's service period. The calculation is performed annually by independent actuaries using actuarial assumptions such as employee turnover, mortality and future increase in salaries and medical costs. Changes in actuarial assumptions, experience adjustments of obligations and changes in fair value of plan assets result in remeasurements and are recognized in OCI. Each quarter a remeasurement is performed to adjust the present value of pension liabilities and the fair value of pension assets against OCI. Net interest on defined benefit obligations and plan assets is reported as interest income or interest expense.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Post-employment benefit valuation assumptions
Key sources of estimation uncertainty
Post-employment obligations are dependent on the assumptions established by management and used by actuaries in calculating such amounts. The key assumptions include discount rates and future salary increases. The actuarial assumptions are reviewed on an annual basis and are changed when it is deemed appropriate.

Epiroc provides post-employment defined benefit pension plans and other long-term employee benefits in most of its major locations. The most significant countries in terms of size of plans are Sweden, Germany, Switzerland and India.

The plans in the four countries are funded with different local financing vehicles, held separated from the Group for future benefit payments. In Sweden, the main ITP 2-plans retirement pension is funded by the Group's pension foundation. In addition, the Epiroc family pension under ITP 2 is insured by a third party insurer, Alecta. This plan is recognized as a defined contribution plan as sufficient information for calculating the net pension obligation is not available. Alecta's surplus can be distributed among the policyholders and/or the insured. At the end of 2024, Alecta's surplus of its so-called collective funding amounted to 162 % (157). The collective funding consists of the fair value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial calculation assumptions.

The Group identifies a number of risks in the investments of pension plan assets. The main risks are interest rate risk, market risk, counter-party risk, liquidity risk, inflation risk and currency risk. The risk that the managed pension assets will not cover the pension commitments is also affected by life expectancy and any large wage increases. The Group works continuously to manage the risks and ensure that the investment orientations reflect Epiroc´s risk tolerance level and that the investments have a long-term investment horizon. The investment portfolio should be diversified, which means that multiple asset classes, markets and issuers should be utilized. An asset liability management assessment should be conducted periodically. The study should include a number of elements. The most important elements are the duration of the assets and the timing of settlement of liabilities, the expected return of the assets, the expected development of liabilities, the forecasted cash flows and the impact of a shift in interest rates on the obligation.

The net obligations for post-employment benefits and other long-term employee benefits have been recognized in the balance sheet as follows:

	2024	2023
Financial assets (note 16)	-315	-237
Post-employment benefits	201	251
Other provisions (note 27)	159	141
Closing Balance, Dec. 31	**45**	**155**

The tables show the Group's obligations for post-employment benefits and other long-term employee benefits, the assumptions used to determine these obligations and the assets relating to these obligations for employee benefits, as well as the amounts recognized in the income statement and the balance sheet.

The net amount recognized in the balance sheet amounted to 45 (155). The weighted average remaining duration of the obligation is 20,1 (19.1) years.

POST-EMPLOYMENT BENEFITS

2024	Funded pension plans	Unfunded pension plan	Other funded plans	Other unfunded plans	Total
Present value of defined benefit obligations	1 428	288	10	149	1 875
Fair value of plan assets	-1 810	–	-20	–	-1 830
Present value of net obligations	**-382**	**288**	**-10**	**149**	**45**
Effect of asset ceiling	0	–	–	–	0
Net amount recognized in balance sheet	**-382**	**288**	**-10**	**149**	**45**

2023	Funded pension plans	Unfunded pension plan	Other funded plans	Other unfunded plans	Total
Present value of defined benefit obligations	1 446	273	11	143	1 873
Fair value of plan assets	-1 720	–	-16	–	-1 736
Present value of net obligations	**-274**	**273**	**-5**	**143**	**137**
Effect of asset ceiling	18	–	–	–	18
Other long-term service obligations	–	–	0	–	0
Net amount recognized in balance sheet	**-256**	**273**	**-5**	**143**	**155**

PLAN ASSETS CONSIST OF THE FOLLOWING:

2024	Quoted market price	Unquoted market price	Total
Debt instruments	425	0	425
Equity instruments	207	0	207
Property [1]	–	414	414
Assets held by insurance companies	56	0	56
Cash	142	0	142
Investment funds	107	464	571
Derivatives	–	1	1
Other	14	0	14
Closing balance, Dec. 31	**951**	**879**	**1 830**

[1] There are properties occupied and used by Epiroc.

2023	Quoted market price	Unquoted market price	Total
Debt instruments	401	5	406
Equity instruments	155	–	155
Property [1]	22	315	337
Assets held by insurance companies	54	–	54
Cash	248	–	248
Investment funds	130	370	500
Derivatives	–	20	20
Other	16	–	16
Closing balance, Dec. 31	**1 026**	**710**	**1 736**

[1] There are properties occupied and used by Epiroc.

MOVEMENTS IN PLAN ASSETS

	2024	2023
Fair value of plan assets at Jan. 1	1 736	1 849
Interest income	60	73
Remeasurement – return on plan assets	118	-150
Settlements	-77	- 1
Other significant events	0	0
Employer contributions	99	11
Plan members contributions	–	0
Benefit paid by the plan	-114	-46
Translation differences	8	0
Fair value of plan assets, Dec. 31	**1 830**	**1 736**

THE PLAN ASSETS ARE ALLOCATED AMONG THE FOLLOWING GEOGRAPHIC AREAS:

	2024	2023
Europe	1 758	1 673
of which Sweden	*1 621*	*1 479*
Rest of the world	72	63
Total	**1 830**	**1 736**

ASSET CEILING

	2024	2023
Asset ceiling at Jan. 1	18	21
Interest income	0	1
Remeasurements – asset ceiling	-18	-5
Translation difference	0	1
Asset ceiling, Dec. 31	**–**	**18**

MOVEMENTS IN PRESENT VALUE OF THE OBLIGATIONS FOR DEFINED BENEFITS

	2024	2023
Defined benefit obligations at Jan. 1	1 873	1 546
Current service cost	123	99
Past service cost	-3	0
Gain/loss on settlement	18	0
Interest expense (+)	67	62
Other significant events	19	24
Actuarial gains (–)/ losses (+) arising from experience adjustments	71	78
Actuarial gains (–)/ losses (+) arising from financial assumptions	-135	184
Actuarial gains (–)/ losses (+) arising from demographic assumptions	20	1
Settlements	-76	-1
Benefits paid from plan or company assets	-114	-108
Translation differences	12	-12
Defined benefit obligations, Dec. 31	**1 875**	**1 873**

Remeasurements recognized in other comprehensive income amount to -204 (387) and 23 (22) in profit and loss. The Group expects to pay 85 (50) in contributions to defined benefit plans in 2025.

EXPENSES RECOGNIZED IN THE INCOME STATEMENT

	2024	2023
Current service cost	123	99
Past service cost	-3	0
Gain/loss on settlements	18	0
Net interest cost	8	-10
Remeasurement of other long-term benefits	23	22
Total	**169**	**111**

The total benefit expense for defined benefit plans amounted to 169 (111), of which -161 (121) has been charged to related functions under operating expenses and -8 (-10) to financial expenses. Expenses related to defined contribution plans amounted to 617 (599).

PRINCIPAL ACTUARIAL ASSUMPTIONS

Europe	2024	2023
Financial assumptions		
Discount rate	3,62%	3,44%
Salary increases	2,80%	3,09%
Inflation rate	1,77%	1,98%
Demographic assumptions		
Life expectancy after age 65 in years	22,2	20,7

The Group has identified discount rate, future salary increases, inflation rate and life expectancy as the primary actuarial assumptions for determining defined benefit obligations. Changes in those actuarial assumptions affect the present value of the net obligation. The discount rate is determined by reference to market yields at the balance sheet date using, if available, high quality corporate bonds (AAA or AA) matching the duration of the pension obligations. In countries where corporate bonds are not available, government bonds are used to determine the discount rate. In Sweden, in line with prior years, mortgage bonds are used for determining the discount rate.

Epiroc's mortality assumptions are set by country, based on the most recent available mortality studies. Where possible, generational mortality assumptions are used, meaning that they include expected improvements in life expectancy over time.

The table below shows the sensitivity analysis for principal actuarial assumptions, and describes the potential effect on the present value of the defined pension obligation.

SENSITIVITY ANALYSIS OF PRINCIPAL ACTUARIAL ASSUMPTIONS

Impact on the defined benefit obligations of a change in assumptions

Europe	2024	2023
Financial assumptions		
Discount rate +0.50%	-153	-147
Discount rate -0.50%	173	165
Salary increase rate +0.50%	37	34
Salary increase rate -0.50%	-35	-32
Inflation rate +0.50%	169	160
Inflation rate -0.50%	-149	-142
Demographic assumptions		
Life expectancy + 1 year	60	58
Life expectancy - 1 year	60	58

25. Share-based payments

ACCOUNTING POLICY

The Group has share-based incentive programs, consisting of stock options and share appreciation rights, which may be offered to certain employees based on position and performance. Additionally, the Board are offered synthetic shares.

The fair value of stock options that can only be settled in shares (equity-settled) is recognized as an employee expense with a corresponding increase in equity. The fair value, measured at grant date using the Black-Scholes model, is recognized as an expense over the vesting period. The amount recognized as an expense is adjusted to reflect the actual number of stock options vested.

The fair value of the share appreciation rights, synthetic shares, and options with a choice for employees to settle in shares or cash is recognized in accordance with policies for cash-settled share-based payments. The value is recognized as an employee expense with a corresponding increase in liabilities. The fair value, measured at grant date and remeasured at each reporting date using the Black-Scholes model, is accrued, and recognized as an expense over the vesting period. Changes in fair value are, during the vesting period and after the vesting period until settlement, recognized in profit or loss as an employee expense. The accumulated expense recognized equals the cash amount paid at settlement. Social security charges are paid in cash and are accounted for in line with the policies for cash-settled share-based payments, regardless of whether they are related to equity or cash-settled share-based payments.

Share value based incentive programs

Performance based employee stock option plan 2017-2023

Employees in Epiroc have prior to 2018 been offered to participate in certain share-based payment programs offered by Atlas Copco. At the time when the Epiroc shares were listed, Atlas Copco had four programs in place, 2014-2017, in which certain Epiroc employees were participants. The performance based employee stock option plans in Atlas Copco were in accordance with their terms split between Atlas Copco and Epiroc in connection with the distribution and listing of Epiroc on Nasdaq Stockholm. In April 2024 the last plan origined from Atlas Copco was ended.

Approximately 300 key employees of Epiroc have received under the performance based stock option plan for the years 2018-2023 options related to Epiroc and receive incentives related to the performance of Epiroc. The terms and conditions of the performance based employee stock option plans for the years 2018–2023 are in all material aspects similar to the terms and conditions of the performance based employee stock option plan for 2024 in Epiroc, as described below.

Performance based employee stock option plan 2024

The Annual General Meeting of Epiroc held on May 14, 2024, resolved, based on a proposal from the Board of Directors, to introduce a performance based employee stock option plan for 2024, which is similar in structure to the previous stock option plans approved by the Annual General Meeting.

The performance based employee stock option plan is directed at a maximum of 140 key employees in Epiroc, who will have the possibility to acquire a maximum of 1 827 359 Class A shares in Epiroc. The issuing of options depends on the value increase expressed as Economic Value Added of Epiroc during 2024. In an interval of SEK 1 200 000 000, the issue varies linearly from zero to 100% of the maximum number of options. The participating key employees are divided into different categories, with different amounts of maximum issues of options, depending on their positions. The issuing of options will take place no later than March 20, 2025. The term of the options is seven years from granting, and the options are exercisable not earlier than three years from grant date. The exercise price shall be set at an amount corresponding to 110% of the average of the closing rates on Nasdaq Stockholm of Epiroc's Class A shares during a period of ten business days following the date of the publishing of the Interim report Q4, 2024. A participant must still be employed in order to exercise their options. The options are not transferable.

The costs of the performance based employee stock option plan will, on an on-going basis during the term of the plan, be reported in accordance with IFRS 2, and is estimated to amount up to approximately 0. The estimated costs for advice and administration linked to the program are approximately 3.5. In order to limit the exposure of the performance based employee stock option plan, hedging measures have been adopted in the form of share buy-backs (see note 21), which can be transferred to the participants of the plan pursuant to resolutions passed at the Annual General Meeting of Epiroc.

A prerequisite for the participation of senior executives (11 participants) in the performance based employee stock option plan is an investment of a maximum of ten percent of the participants' respective base salary for 2024 before tax, in series A shares of Epiroc. The investments may be made in cash or by payment of shares, however, not by shares that are obtained as a part of the performance based employee stock option plans for 2022 – 2023. Senior executives who have invested in Epiroc series A shares as a part of the employee stock option plan, in addition to the proportional participation in the plan, for each share acquired have a right (a "matching option") to acquire a share three years after the grant until the expiration of the employee stock option plan 2024 at a price equal to 75% of the market value upon which the exercise price of the shares in the 2024 employee stock option plan was based, subject to continued employment and continued ownership of the shares.

For all the programs, 2018–2024, a total maximum of 4 001 863 shares could be delivered to employees, corresponding to approximately 0.3% of the total number of shares in Epiroc.

The Board of Epiroc has the right to decide to implement an alternative incentive solution (SARs) for key persons in such countries where the grant of employee stock options is not feasible. In the 2018–2019 programs, at the request of optionees, it has been possible to settle the options by the Company's paying cash equal to the excess of the closing price of the shares over the exercise price on the exercise day, less any administrative fees. Due to this choice of settlement by the Swedish employees, these options were classified for accounting purposes as cash-settled in accordance with IFRS 2. As of October 2020, this possibility was removed from the terms and therefore only those options in the 2016-2017 plans are accounted for as cash-settled if the participant has opted for this possibility. For the plans 2018 and onwards no options are accounted for as cash-settled.

The Black-Scholes model is used to calculate the fair value of the options/SARs in the programs at issue date. For the programs in 2024, the fair value of the options/SARs was based on the following assumptions:

KEY ASSUMPTIONS

	2024 Program (Dec. 31, 2024)	2023 Program (Dec. 31, 2023)
Expected exercise price	SEK 211.81/144.41 [1]	SEK 222.42/151.65 [1]
Expected volatility	30%	30%
Expected options life (years)	4.42	4.45
Expected share price	SEK 192.55	SEK 202.2
Expected dividend (growth)	SEK 3.80 (6%)	SEK 3.40 (6%)
Risk free interest rate	2.17%	2.19%
Expected average grant value	SEK 35.69/59.37 [1]	SEK 31.13/53.78 [1]
Number of outstanding options	1 850 279	1 428 344
– of which forfeited [2]	-1 850 279	-1 336 969
Number of matching options	25 697	27 534

1) Matching options for senior executives.
2) Including adjustments for performance achievement. For 2024 plan there will be no options issued as the EVA target for the Group was not met.

The expected volatility has been determined by analyzing the historic development of the Epiroc A Share price and other shares on the stock market. When determining the expected option life, assumptions have been made regarding the expected exercising behavior of different categories of optionees.

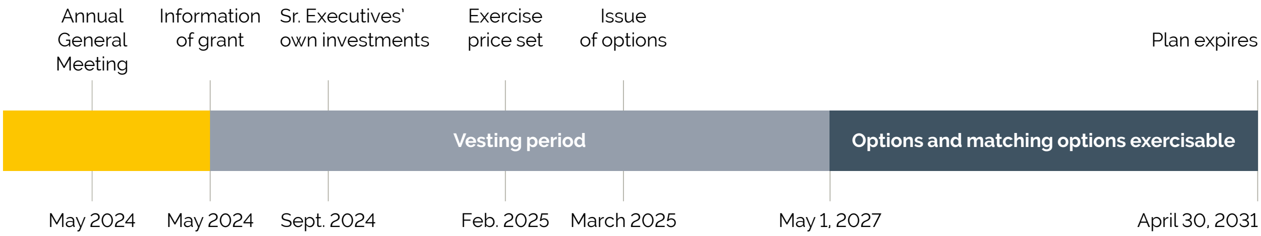
For the stock options in the 2017–2024 programs, the fair value is recognized as an expense over the following vesting periods:

PROGRAM

	Vesting period		Exercise period	
Stock options	From	To	From	To
2017	May-17	Apr-20	May-20	Apr-24
2018	May-18	Apr-21	May-21	Apr-25
2019	May-19	Apr-22	May-22	Apr-26
2020	May-20	Apr-23	May-23	Apr-27
2021	May-21	Apr-24	May-24	Apr-28
2022	May-22	Apr-25	May-25	Apr-29
2023	May-23	Apr-26	May-26	Apr-30
2024	May-24	Apr-27	May-27	Apr-31

For the 2024 program, a new valuation of the fair value has been performed and will be performed at each reporting date until the issue date, which as indicated below will occur in March 2025.

TIMELINE 2024 OPTION PLAN



For SARs and the options classified as cash-settled, the fair value is recognized as an expense over the same vesting period; the fair value is, however, remeasured at each reporting date and changes in the fair value after the end of the vesting period continue to be recognized as a personnel expense.

In accordance with IFRS 2, the expense in 2024 for the Group for all share-based incentive programs amounted to 7 (45) excluding social costs, of which 13 (25) refers to equity-settled options. The related costs for social security contributions are accounted for in accordance with the statement from the Swedish Financial Reporting Board (UFR 7) and are classified as personnel expenses. In the balance sheet, the provision for the Group for share appreciation rights as of December 31, 2024, amounted to 36 (78). See additional information about the Group's share-based incentive program in note 5.

SUMMARY OF SHARE VALUE BASED INCENTIVE PROGRAMS

Program	Initial number of employees	Number of options	Additional number of options, share split/redemption 2021 [1]	Expiration date	Exercise price, SEK [1]	Type of share	Fair value at grant date	Intrinsic value for vested SARs
Stock options								
2017	64	2 095 148	7 591	4/30/24	92.97	A	15.90	–
2018	63	1 976 817	25 383	4/30/25	95.39	A	15.63	–
2019	70	743 903	11 210	4/30/26	127.85	A	6.48	–
2020	64	393 126	5 939	4/30/27	179.91	A	37.04	–
2021	69	1 188 927	n/a	4/30/28	218.06	A	39.59	–
2022	87	1 047 348	n/a	4/30/29	226.55	A	32.94	–
2023	95	1 037 004	n/a	4/30/30	203.23	A	44.38	–
Matching options								
2017	7	22 993	173	4/30/24	63.41	A	26.84	–
2018	11	50 566	760	4/30/25	65.04	A	27.11	–
2019	13	44 784	670	4/30/26	87.17	A	14.14	–
2020	11	37 891	569	4/30/27	122.66	A	61.34	–
2021	11	24 101	n/a	4/30/28	148.68	A	66.66	–
2022	11	26 479	n/a	4/30/29	154.46	A	57.31	–
2023	12	27 534	n/a	4/30/30	138.57	A	70.27	–
Share appreciation rights								
2017	14	446 150	10 674	4/30/24	92.97	A	–	99.58
2018	24	555 408	6 301	4/30/25	95.39	A	–	97.16
2019	21	184 998	2 785	4/30/26	127.85	A	–	64.7
2020	27	138 965	2 101	4/30/27	179.91	A	–	12.64
2021	23	335 425	n/a	4/30/28	218.06	A	–	-25.51
2022	33	339 809	n/a	4/30/29	226.55	A	–	–
2023	49	391 340	n/a	4/30/30	203.23	A	–	–

[1] A share split and mandatory redemption of the Epiroc share was executed in May 2021. In order to ensure that the economic value for the participant was not negatively affected, the exercise price and the number of stock options, matching options and share appreciation rights were adjusted, similar to the method used by Nasdaq Stockholm to adjust exchange traded option contracts.

NUMBER OF OPTIONS/RIGHTS 2024

Program	Outstanding January 1	Exercised	Expired/ forfeited	Outstanding December 31	–of which exercisable	Time to expiration, in months	Average stock price for exercised options, SEK
Stock options							
2017	181 218	181 218	–	–	–	–	202.84
2018	728 081	511 464	–	216 617	216 617	4	207.86
2019	562 543	141 569	–	420 974	420 974	16	206.36
2020	344 965	53 174	–	291 791	291 791	28	204.86
2021	1 091 981	39 945	81 922	970 114	970 114	40	228.43
2022	998 049	–	77 775	920 274	–	52	–
2023	1 037 004	–	967 046	69 958	–	64	–
Matching options							
2017	3 471	3 471	–	–	–	–	194.40
2018	27 504	17 262	–	10 242	10 242	4	207.57
2019	31 758	11 699	–	20 059	20 059	16	213.89
2020	24 701	–	–	24 701	24 701	28	–
2021	20 398	–	1 516	18 882	18 882	40	–
2022	22 443	–	1 547	20 896	–	52	–
2023	27 534	–	1 551	25 983	–	64	–
Share appreciation rights							
2017	206 976	206 976	–	–	–	–	198.94
2018	222 522	88 234	–	134 288	134 288	4	219.10
2019	163 300	24 483	–	138 817	138 817	16	227.27
2020	116 896	6 673	–	110 223	110 223	28	227.32
2021	295 480	–	–	295 480	295 480	40	–
2022	332 962	–	43 097	289 865	–	52	–
2023	391 340	–	368 641	22 699	–	64	–

NUMBER OF OPTIONS/RIGHTS 2023

Program	Outstanding January 1	Exercised	Expired/ forfeited	Outstanding December 31	–of which exercisable	Time to expiration, in months	Average stock price for exercised options, SEK
Stock options							
2016	478 080	478 080	–	–	–	–	197.49
2017	302 230	121 012	–	181 218	181 218	4	195.94
2018	972 667	244 586	–	728 081	728 081	16	204.62
2019	656 962	94 419	–	562 543	562 543	28	201.52
2020	389 397	27 600	16 832	344 965	344 965	40	210.66
2021	1 162 297	–	70 316	1 091 981	–	52	–
2022	1 047 348	–	49 299	998 049	–	64	–
Matching options							
2017	8 038	4 567	–	3 471	3 471	4	205.60
2018	29 549	2 045	–	27 504	27 504	16	204.93
2019	32 004	246	–	31 758	31 758	28	204.93
2020	38 460	7 711	6 048	24 701	24 701	40	203.40
2021	24 101	–	3 703	20 398	–	52	–
2022	26 479	–	4 036	22 443	–	64	–
Share appreciation rights							
2016	127 718	127 718	–	–	–	–	197.66
2017	418 999	212 023	–	206 976	206 976	4	207.73
2018	274 690	52 168	–	222 522	222 522	16	206.31
2019	167 461	4 161	–	163 300	163 300	28	210.40
2020	126 564	9 668	–	116 896	116 896	40	203.20
2021	308 795	–	13 315	295 480	–	52	–
2022	339 809	–	6 847	332 962	–	64	–

26. Trade payables and other liabilities

Trade payables and other financial liabilities are classified at amortized cost. Fair value of other liabilities corresponds to carrying value.

OTHER CURRENT LIABILITIES

	2024	2023
Trade payables	5 756	5 902
Derivatives		
– classified at fair value through profit and loss	348	63
Other financial liabilities		
– other liabilities	1 550	1 698
– accrued expenses	4 583	3 572
Advances from customers[1]	2 058	2 001
Deferred revenue service contracts[1]	605	617
Closing balance, Dec. 31	**14 899**	**13 853**

[1] In advances from customers and deferred revenue, 1 590 (2 203) is related to contract liabilities. 730 (1 262) of the advances from customers and deferred revenue 2023 have been recognized as revenue during 2024.

Accrued expenses include items such as social costs, vacation pay liability, accrued interest and accrued operational expenses.

The Group classifies financial liabilities that arise from organized factoring for Epiroc suppliers within trade payables since they have similar nature and function to trade payables. Organized factoring amount to 1 591 (2 327). Cash flows from organized factoring are included in operating activities.

27. Provisions

Provisions are recognized:
- when the Group has a legal or constructive obligation (as a result of a past event),
- it is probable that the Group will have to settle the obligation, and
- the amount of the obligation can be estimated reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, the provision is determined by discounting the expected future cash flows of estimated expenditures.

2024	Product warranty	Restruc-turing	Other	Total
Opening balance, Jan. 1	**273**	**182**	**552**	**1 007**
Additions	273	53	119	445
Utilization	-162	-50	-151	-363
Reversal of excess amounts	-114	-20	-40	-174
Acquisition of business	–	–	2	2
Reclassification	2	–	–	2
Translation differences	9	7	11	27
Closing balance, Dec. 31	**281**	**172**	**493**	**946**
Non-current	9	150	283	442
Current	272	22	210	504
Total	**281**	**172**	**493**	**946**

2024, Maturity	Product warranty	Restruc-turing	Other	Total
Less than one year	272	22	210	504
Between one and five years	9	149	236	394
More than five years	–	1	47	48
Total	**281**	**172**	**493**	**946**

Provisions for product warranties are recognized as cost of sales at the time the products are sold based on the estimated cost using historical data for level of repairs and replacements. Provisions for product warranties should cover future commitments for the sales volumes already realized. Warranty provision is a complex accounting estimate due to the variety of variables which are included in the calculations. The calculation methods are based on the type of products sold and historical data for level of repairs and replacements. The underlying estimates for calculating the provision are reviewed at least quarterly as well as when new products are being introduced or when other changes occur which may affect the calculation.

A restructuring provision is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or been announced publicly.

Other provisions consist primarily of amounts related to share-based payments including social fees and other long-term employee benefits, see note 25.

2023	Product warranty	Restruc-turing	Other	Total
Opening balance, Jan. 1	**224**	**131**	**579**	**934**
Additions	227	159	212	598
Utilization	-131	-90	-205	-426
Reversal of excess amounts	-40	-8	-57	-105
Discounting effect	–	–	3	3
Acquisition of business	6	–	32	38
Translation differences	-13	-10	-12	-35
Closing balance, Dec. 31	**273**	**182**	**552**	**1 007**
Non-current	17	155	321	493
Current	256	27	231	514
Total	**273**	**182**	**552**	**1 007**

2023, Maturity	Product warranty	Restruc-turing	Other	Total
Less than one year	256	27	231	514
Between one and five years	17	154	257	428
More than five years	–	1	64	65
Total	**273**	**182**	**552**	**1 007**

28. Pledged assets and contingent liabilities

A contingent liability is a possible obligation or a present obligation that arises from past events that is not reported as a liability or provision, due either to the fact that it is not probable that an outflow of resources will be required to settle the obligation, or a sufficiently reliable calculation of the amount cannot be made. Epiroc had 174 (194) in sureties and other contingent liabilities. These primarily relate to pension commitments and commitments related to customer claims and various legal matters. In addition, Epiroc has commercial guarantees for fulfillment of contractual undertakings, which is part of the Group's normal course of business of 401 (289).

During 2024, Epiroc entered into a contract for a supply chain resilience solution with a distributor of equipment and spare parts, with commitments to purchase the products within twelve months. All purchases through this solution were according to forecast and no shortfall of orders occurred. The objective of this solution is to create a more resilient supply chain, resulting in shorter lead times and improved delivery performance to Epiroc's end customers. In 2024, Epiroc purchased equipment and spare parts amounting to 55 MSEK through this solution. As of December 31, 2024 the unrecognized commitment for future purchases according to forecast amounts to 450 MSEK.

29. Financial instruments

ACCOUNTING POLICY

Recognition and derecognition
Financial assets and liabilities include trade receivables, financial investments, derivatives and cash and cash equivalents and loan liabilities, trade payables and derivatives, respectively. Financial assets and liabilities are recognized when the Group becomes a party to the contractual provision of the instrument and the classification of measurement occur at the initial recognition. A financial asset is derecognized at maturity or when the Group has transferred risks and rewards to an external party and no longer has control over it.

Financial assets and liabilities at amortized cost
Financial assets such as trade receivables, financial investments and cash and cash equivalents are included in this category. Financial liabilities in this category include loan liabilities, trade payables and other liabilities. Financial assets and liabilities classified to amortized cost are initially recognized to fair value including transaction costs. Transaction costs stemming from new loans are amortized over the maturity period of the loan as financial costs. Assets in this category are subject to a loss allowance for expected credit losses.

Financial assets and liabilities classified to fair value through other comprehensive income (FVOCI)
Accounting policy for Hedge accounting, see note 30.

Financial assets and liabilities through profit or loss (FVTPL)
Fair value through profit or loss is all other debt instruments that are not valued to amortized cost or FVOCI. Derivatives are measured to FVTPL unless they are used as hedging instruments in cash flow or net investment hedges. As in the other categories, assets in this category are subject to a loss allowance for expected credit losses.

Impairment of financial assets
Financial assets not classified to FVTPL are subject to impairment for expected credit losses. Examples of such asset include trade receivables, debt instruments, contract assets, loan commitments and financial guarantees. Epiroc uses two impairment methods depending on the asset class. One of the methods uses historical data to reflect an unbiased and probability-weighted level of credit losses, while the other method is a three-step model with its base in both external and internally calculated credit ratings for the specific customer as well as its country. In simplified terms, the three-step model means that provisions are increased depending on the credit risk. Forward-looking analysis, including macroeconomic aspects that affect different customer segments and geographical areas, are treated separately for both models (in the case that it has not been treated in the rating model) and the level of impairment is adjusted to reflect the identified changes in the specific market, if necessary

Fair value of financial instruments
In the Group's balance sheet, financial instruments are recorded to fair value or amortized cost. The fair value is decided according to the hierarchy of fair value. The fair value for financial assets is determined by prices from active markets if such exist. If prices from an active market does not exist, the fair value is determined by different valuation techniques. The majority of the Group's financial instruments, such as currency future contracts, electricity derivatives, interest bearing debt, financial leasing agreements and other financial receivables are based on market interest rates and the present value of future cash flows,level 2 in the fair value hierarchy. The Group's bonds are classified at level 1, meaning prices from active markets. In level 3, items such as earn-outs from acquisitions, where the valuation is built upon a valuation model with non-observable market data, exist.

Comments for the year
No changes have been made between the different levels in the fair value hierarchy and no material changes have been made to the valuation techniques, neither for used data nor the assumptions, compared to 2023.

The carrying amount of the Group's financial instruments corresponds to the fair value in all categories except financing. See note 22.

FINANCIAL ASSETS AND LIABILITIES

		2024		2023	
	Fair value level	Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Fair value through profit or loss					
- derivatives	2	228	228	461	461
Fair value through other comprehensive income					
- derivatives used for hedge accounting	2	200	200	55	55
Amortized cost					
- trade receivables	2	12 424	12 424	10 455	10 455
- cash and cash equivalents	2	7 179	7 179	6 401	6 401
- other financial assets	2	2 935	2 935	2 585	2 585
Total financial assets		**22 966**	**22 966**	**19 957**	**19 957**
Financial liabilities					
Fair value through profit or loss					
- derivatives	2	348	348	63	63
- earn-out [1]	3	423	423	176	176
Fair value through other comprehensive income					
- derivatives used for hedge accounting	2	11	11	5	5
Amortized cost					
- bonds	1	11 676	12 197	5 992	6 123
- other loans	2	10 341	10 671	7 983	8 151
- trade payables	2	5 756	5 756	5 902	5 902
- other financial liabilities	2	5 709	5 709	5 094	5 094
Total financial liabilities		**34 264**	**35 115**	**25 215**	**25 514**

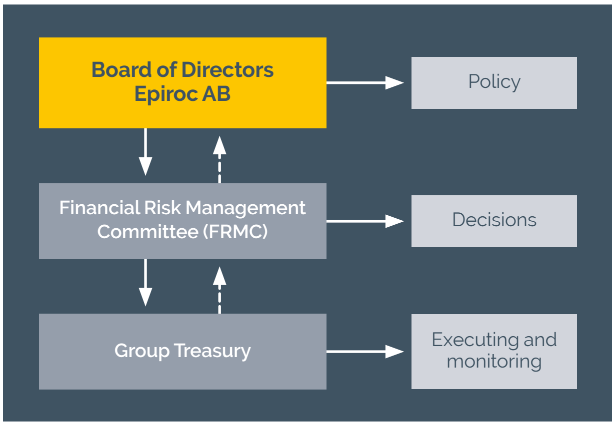
[1] The fair value is based on probability-weighted scenarios and is discounted to net present value. More information is found in note 3.

30. Financial risk management

In its operations, Epiroc is exposed to a variety of financial risks: funding and liquidity risk, currency risk, interest rate risk and credit risk. The Board of Directors establishes the Group's financial risk policy, which includes frameworks, rules and guidelines for how to manage the risks. The financial risk policy is reviewed at least annually. The Group has a financial risk management committee (FRMC), that manage the Group's financial risks within the mandate from the Board of Directors. The members in the FRMC are the CEO, CFO, Group Treasurer and representative from Group Treasury.

Group Treasury has the operational responsibility for financial risk management in the Group. Group Treasury manages and controls financial risk exposures, ensures that appropriate financing is in place through loans and committed credit facilities and manages the Group's liquidity.

Group Treasury reports to the FRMC quarterly and the FRMC reports to the Audit Committee.



Capital structure and credit rating
The Group defines capital as borrowings and equity. The capital requirement is assessed based on ratios such as net debt/equity and net debt/EBITDA. Another variable in the assessment of the Group's capital structure is the credit rating. In December 2022, S&P Global Ratings affirmed the credit rating BBB+ with a stable outlook.

Funding and liquidity risk

Funding and liquidity risk is defined as the risk of the cost being higher and financing opportunities limited as borrowing is renegotiated and payment obligations cannot be met as a result of insufficient liquidity or difficulties in securing funding. The funding and liquidity risk is measured with the following metrics:

Policy	Limit	2024
Average tenor (long-term)	>3 years	4.5
Maturities next 12 months	<5 000	1 539
Committed credit facilities	>4 000	4 000

In addition, the policy states that Group should ensure a short-term liquidity reserve, which consists of cash and cash equivalents and uncommitted credit facilities.

Net debt

Net debt is defined by the Group as interest-bearing debt and post-employment benefits, less cash and cash equivalents and certain other financial receivables.

See note 20 and note 22 for more information.

NET DEBT

	2024	2023
Interest-bearing debt	22 017	13 975
Post-employment benefits	201	251
Cash and cash equivalents	-7 179	-6 401
Certain other financial receivables	- 262	-1
Net debt	**14 777**	**7 824**
Total equity	**43 180**	**37 210**
Net debt/equity ratio %	34.3	21.0
EBITDA	15 827	15 846
Net debt/EBITDA	**0.93**	**0.49**

The maturity profile of the Group's financial liabilities is illustrated in the following table. The Group's short-term liquidity reserve exceeds financial liabilities due within 2025.

FINANCIAL LIABILITIES - FUTURE UNDISCOUNTED CASH FLOWS

	2025	2026	2027	2028	2029	>2029
Liabilities to credit institutions	**2 180**	**3 667**	**3 563**	**3 905**	**1 844**	**7 948**
Lease liabilities	**794**	**675**	**574**	**409**	**268**	**734**
Derivatives	**91**	**3**	**2**	**–**	**–**	**–**
Other liabilities	**11 889**	**66**	**–**	**–**	**–**	**–**
- whereof trade payables	5 756	–	–	–	–	–
Total	**14 953**	**4 411**	**4 139**	**4 314**	**2 112**	**8 682**

Interest rate risk

Interest rate risk is the risk that changes in market interest rates affect the Group's net interest. How quickly interest rate changes impact net interest depends on the fixed interest term of the borrowings, including interest rate derivatives. Interest rate risk is measured by duration.

Policy	Limit	2024
Duration	6-48 months	20

Comments for the year
The Group's borrowings have a mix of fixed and floating rates. The floating rates are based on STIBOR, SOFR and BBSW with a credit margin and the borrowings at a floating rate amounted to 10 382 (6 000) at year-end. Borrowings with floating rate amounted to 56 percent of total borrowings.

The average interest rate of the Parent Company's borrowings was 4.21% (4.29). A change by 1 percentage point on the floating interest rates would affect the Group's interest net by approximately +/- 104 (60).

Currency risk

The Group operates in various geographical markets and undertakes transactions denominated in foreign currencies and is consequently exposed to exchange rate fluctuations. Currency exposure occurs in connection with payments in foreign currency (transaction exposure) and when translating foreign subsidiaries' balance sheets and income statements into SEK (translation exposure).

Transaction exposure

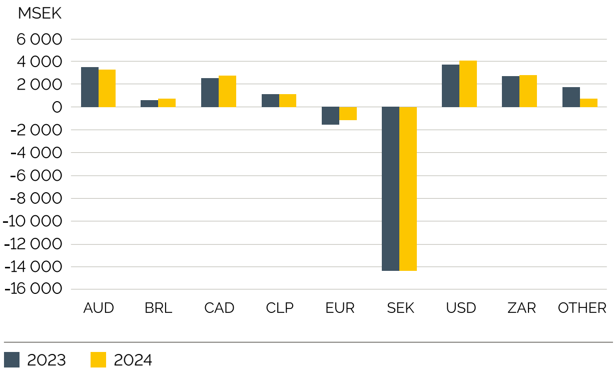
Transaction exposure primarily arises when the Group's products are sold in other countries and in other currencies. Sales in each respective market primarily take place in local currency, meaning that Epiroc has a large net inflow of foreign currencies. These payment flows create currency exposures that affect the Group's earnings in the event of exchange fluctuations.

Policy
The policy states that exposures shall be reduced by matching inflows and outflows of the same currencies. Based on the assumption that currency hedging does not have any significant effect on the Group's long-term result, the policy recommends leaving transaction exposures unhedged. Divisional management is responsible to adjust operations to compensate for adverse currency movements. However, the FRMC can decide to hedge part of the transaction exposure as well as the purchase price of highly probable acquisitions. Such transactions shall qualify for hedge accounting in accordance with IFRS and hedging beyond 18 months is not allowed. The operational transactional exposure is measured as an estimate of the net foreign exchange flows per currency and is based on both intercompany and external payment flows in the most significant currencies.

Comments for the year
The net amounts for the transaction exposure are shown in the graph below and amounts to 16 595 (16 602). Epiroc is exposed to a large net inflow in many currencies against the SEK and EUR where the Group has its main costs.

FRMC has decided to hedge part, approximately 15%, of the transaction exposure in USD with FX forward contracts up to one year. See the hedge accounting section for more information.

ESTIMATED OPERATIONAL TRANSACTION EXPOSURE IN THE GROUP'S MOST IMPORTANT CURRENCIES, 2024 AND 2023



The table below shows the effect on pretax earnings that one-sided fluctuations in each currency may have.

TRANSACTION EXPOSURE SENSITIVITY[1]

	2024	2023
AUD Currency rate +/–1%	33	35
CAD Currency rate +/–1%	27	25
USD Currency rate +/–1%	40	37
SEK Currency rate +/–1%	143	143
ZAR Currency rate +/–1%	28	27

1) The indication is based on the assumptions that no hedging transactions have been undertaken, and before any impact of offsetting price adjustments or similar measures

The financial transaction exposure in the Group, i.e., internal and external borrowing or lending in foreign currencies, is centrally managed by Group Treasury. Group Treasury hedges the financial transaction exposure either by FX forwards or by matching inflows and outflows in the same currencies.

Translation exposure

Currency exposure occurs when translating the results and net assets of foreign subsidiaries into SEK, which affects the Group's income statement and other comprehensive income, respectively, when exchange rates fluctuate.

Policy

The translation exposure is measured as the net of assets and liabilities in a certain currency. The Group's general policy for managing translation exposure is that translation exposure should be reduced by matching assets and liabilities in the same currencies. The FRMC can decide to hedge part or all of the remaining translation exposure and any hedging shall qualify for hedge accounting in accordance with IFRS.

Comments for the year

As of year-end, the FRMC has decided to hedge part of the currency risk of the Group's net investments in USD. See the hedge accounting section for more information.

A change up or down by 1% in the value of each currency against the Swedish krona would affect the Group's pretax earnings by approximately +/– 39 (39).

Credit risk

Credit risk can be divided into operational and financial credit risk. These risks are described further in the following sections. The table shows the total credit risk exposure related to assets classified as financial instruments as of December 31, 2024.

CREDIT RISK

	2024	2023
Receivables		
– trade receivables	12 424	10 455
– finance lease receivables	791	787
– other financial receivables	2 144	1 798
– other receivables	2 365	1 914
– accrued income	514	445
- cash and cash equivalents	7 179	6 401
Derivatives	428	516
Total	**25 845**	**22 316**

Operational credit risk

Operational credit risk is the risk that the Group's customers do not meet their payment obligations.

Policy

Since the Group's sales are distributed among many customers and that no single customer represents a significant share of the Group's commercial risk, the monitoring of commercial credit risks is primarily performed at the divisional or entity level. Each entity is required to have an approved commercial risk policy. These shall aim to preserve the high credit quality of the Group's portfolios and thereby protect the Group's short and long-term viability. The commercial credit risk is measured as the net value of customer receivables. For information about the impairment process, see the section for impairment of financial assets.

Customer finance operation

Epiroc has an in-house customer finance operation, a part of Financial Solutions, as a means of supporting equipment sales. The credit risk in customer financing is typically mitigated by Epiroc Financial Solutions' maintaining collateral for its credit portfolio primarily through repossession rights in equipment. Entities may also transfer the commercial risk through insurance to external entities, usually to an export credit agency. In addition, Epiroc Financial Solutions also has non-cancelable operating lease contracts, where the residual value is managed through monitoring of equipment with support from customer centers and the customer centers also perform a continuous assessment of the value of the underlying asset. For more information, see note 16 and 23.

Comments for the year

The credit risk is deemed to be limited as the customer receivables relate to a large number of customers, spread across different geographical areas and that a commercial risk policy is applied. At year-end, trade receivables of 12 424 (10 455) were reported, net of impairment amounting to 530 (576). The expected credit losses amounted to 4.1% (5.2) of gross total customer receivables. For more information, see note 18.

The credit risk for the customer finance operation is also diversified as no customer represents more than 6% (6) of the total outstanding receivables. See the table for a distribution of the credit portfolio. Financial Solutions non-cancelable operating lease contracts amounted to 194 (245).

CREDIT PORTFOLIO FOR CUSTOMER FINANCE

	2024	2023
Trade receivables	15	16
Finance lease receivables	792	790
Other financial receivables	1 787	1 607
Total	**2 594**	**2 414**

Financial credit risk

Credit risk on financial transactions is the risk that the Group incurs losses as a result of non-payment by counterparties related to the Group's investments, bank deposits or derivative transactions. The financial credit risk is measured differently depending on transaction type.

Policy
The Group's policy states that diversification of credit risk should be the norm and that maximum exposure limits shall be assigned for each financial counterparty with a maximum of 3 000 per counterparty. Derivative transactions can only be undertaken with counterparties for which CSA (Credit Support Annex) agreements are established. Furthermore, financial transactions are only to be entered into with counterparties that have a certain rating (not below A3/A-/A-). An investment policy stipulating the framework for investments of the Group's excess cash shall consider the above points. The policy's demand for security shall always be prioritized over the aim of maximum return. When measuring credit risk on cash and cash equivalents, the Group applies the general approach on impairment.

Comments for the year
The maturities of the currency derivatives are well below 12 months and the counterparties are stable banks with a high rating. Calculations based on the banks' probabilities of default, yields an expected loss which is in all respects immaterial. At year-end 2024, the measured credit risk on currency derivatives, taking into account the mark-to-market value and collateral, amounted to 156 (47). The table below presents the reported value of the Group´s derivatives.

OUTSTANDING DERIVATIVE INSTRUMENTS, FAIR VALUE

	2024	2023
Currency and interest rate derivatives		
Assets	421	507
- whereof net position	-	-
Liabilities	342	60
- whereof net position	137	38
Electricity derivatives		
Assets	7	9
Liabilities	11	8

No financial assets or liabilities are offset in the balance sheet. Currency derivative instruments are subject to master netting agreements, but can have a net position despite this since the exchange of securities is done on a weekly basis. Electricity derivatives are not subject to master netting agreements.

Commodity and electricity price risk

Commodity price risk is the risk that the cost of direct and indirect materials could increase as underlying commodity prices rise in global markets.

Policy
The Group is directly and indirectly exposed to price fluctuations of raw materials and electricity. Cost increase for raw materials and components frequently coincide with strong end-customer demand and are offset by increased sales to mining customers and compensated for by increased market prices. Therefore, the Group does not hedge commodity price risks on a regular basis. However, the Operations may decide to hedge part of the commodity risk and if so, the hedging shall be approved by Group Treasury and qualify for hedge accounting. Hedging beyond 60 months is not allowed.

Comments for the year
Part of the electricity price risk in the Swedish production facilities is hedged up to five years, managed through a discretionary management mandate. The remaining part of the electricity price risk is measured by the divisions as part of cost of sales. For more information, see the hedge accounting section.

Hedge accounting

ACCOUNTING POLICY

The Group applies hedge accounting to hedge FX risk, interest rate risk and electricity price risk. Epiroc applies a mix of cash flow hedging, fair value hedging and net investment hedging. To apply hedge accounting, hedge relationships must be formally identified and documented. In addition, there needs to be an economic relationship between the hedged item and the hedging instrument, the effect of credit risk may not dominate the value changes resulting from that relationship, and the hedge ratio is the same as that resulting from the quantity of both the hedged item and the hedging instrument used.

The economic relationships are assessed based on a qualitative analysis of critical terms, which are matched. As such, the carrying amounts are expected to move in opposite directions as a result of a change in the hedged risk. The effects of credit risk are not considered to dominate the changes in fair value. The hedge ratios applied by Epiroc is 1:1. The potential sources of ineffectiveness are related to changes in Epiroc's or the counterparty's credit risk and valuation changes in floating legs from swaps designated as hedging instruments. Any ineffectiveness is recognized in profit or loss.

Epiroc uses derivatives as hedging instruments for hedge accounting, either by themselves or in combination with other offsetting derivatives. The derivatives can be designated in one or more hedging relationships. If a derivative is used in multiple hedging relationships, it is bifurcated to achieve hedge accounting. Subsequently, the bifurcated derivatives are identified as hedging instruments. Any reference below to derivatives are the hedging instruments used for hedge accounting.

The following table shows the maturity of the hedging instruments:

2024	<1 year	1-5 years	>5 years	Total
FX Forward contracts	**99**	**–**	**–**	**99**
– Average forward rate (USD/SEK)	10.95	–	–	–
Electricity derivatives	**3**	**1**	**–**	**4**
– Average GWH	4.19	2.11	–	–
Cross-currency interest rate swaps	**–**	**–**	**5 596**	**5 596**
– Average fixed interest %	–	–	3.63	–
Interest rate swaps	**–**	**–**	**2 832**	**2 832**
– Average fixed interest %	–	–	5.15	–

Cash flow hedge
Epiroc applies cash flow hedging on foreign currency exposures and electricity price exposures. The strategies are to hedge part, or all, of the identified exposures:

- A portion, approximately 15%, of the foreign currency transaction exposure from future sales in USD has been hedged with FX forward contracts up to one year. Sales in foreign currency is designated as the hedged risk.
- Foreign currency issued debt is hedged with a cross-currency interest rate swap that converts EUR borrowing to SEK.
- Most of the electricity price risk in the Swedish production facilities is hedged up to five years through a discretionary management mandate. 90% of the estimated electricity consumption is hedged with a declining linear basis to 0 percent in year 4.

The effective portion of any gains or losses on the hedging instrument is recognized in other comprehensive income and is reclassified to profit or loss when the hedged item impact profit and loss. Changes in foreign currency basis spread is recognized in cost of hedging in other comprehensive income.

Net investment hedge

Epiroc also applies hedges of net investments in foreign operations. The strategy is to hedge part of the USD currency risk of Epiroc's net investment in foreign operations using cross-currency interest rate swaps. The hedged risks are a mix of the FX spot rate and the FX forward rate. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income, while any gains or losses relating to the ineffective portion are recognized in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss. Changes in foreign currency basis spread is recognized in cost of hedging in other comprehensive income.

The table shows impact of cash flow hedging and net investment hedging on the statement of financial position as of 31 December 2024.

2024 Hedging instruments	Nominal amount	Carrying amount	Change in value used for measuring ineffectiveness for the period		Hedge ineffectiveness recognized in the income statement	Balance in Cash flow Hedge reserve	Balance in Foreign currency translation reserve	Balance in cost of hedging reserve	Reclassified into profit or loss
			Hedging instrument	Hedged item					
Cash flow Hedge									
– FX Forward contracts	99	0	0	0	–	0	–	–	39
– Cross-currency interest rate swaps	2 798	-112	68	-68	–	68	–	-246	68
– Electricity derivatives	103 GWh	45	-49	45	–	-4	–	–	–
Net investment Hedge									
– Cross-currency interest rate swaps	5 664	-190	-214	214	–	–	-214	252	–

2023 Hedging instruments	Nominal amount	Carrying amount	Change in value used for measuring ineffectiveness for the period		Hedge ineffectiveness recognized in the income statement	Balance in Cash flow Hedge reserve	Balance in Foreign currency translation reserve	Balance in cost of hedging reserve	Reclassified into profit or loss
			Hedging instrument	Hedged item					
Cash flow Hedge									
– FX Forward contracts	497	46	46	-46	–	37	–	–	-16
– Electricity derivatives	108 GWh	57	-55	57	–	2	–	–	-1

Any ineffectiveness is recognized in net financial items in the income statement. The hedging instruments are recognized on the line other assets or other liabilities in the statement of financial position.

The table shows a reconciliation of each component of equity and the analysis of other comprehensive income resulting from hedge accounting:

2024	Cash flow Hedge reserve	Cost of Hedging reserve	Foreign currency translation reserve
Opening balance, Jan. 1	39	0	–
Effective changes in fair value from hedging instruments			
– FX forward contracts	0	–	–
– Cross-currency interest rate swaps	68	6	-214
– Electricity derivatives	-4	–	–
Foreign currency revaluation of the net foreign operations	–	–	214
Amount reclassified to the income statement	-107	–	–
Tax	1	-1	–
Closing balance, Dec. 31	**-3**	**5**	**0**

2023	Cash flow Hedge reserve	Cost of Hedging reserve	Foreign currency translation reserve
Opening balance, Jan. 1	46	–	–
Effective changes in fair value from hedging instruments			
– FX forward contracts	11	–	–
– Electricity derivatives	2	–	–
Amount reclassified to the income statement	-17	–	–
Tax	-3	–	–
Closing balance, Dec. 31	**39**	**–**	**–**

Fair Value Hedge

Epiroc applies fair value hedging on foreign currency exposures and interest rate exposures. The strategy is to hedge part of EUR spot risk and the benchmark interest rate risk exposure of Epiroc's fixed foreign currency debt using cross-currency interest rate swaps. The hedged item's and hedging instrument's changes in fair value, related to changes in currency and interest rates, are recognized in the income statement within net financial items in the statement of financial position. Changes in foreign currency basis spread is recognized in cost of hedging in other comprehensive income.

The table shows impact of hedge accounting on the statement of financial position and hedge ineffectiveness as of 31 December 2024. As of December 2023, no fair value hedges were in place.

Hedging instruments	Classification	Nominal amount	Carrying amount	Change in fair value used for measuring ineffectiveness
EUR denominated debt,	Hedged item	2 778	2 841	-150
Cross-currency interest rate swaps,	Hedged instrument	2 798	94	143
Ineffectiveness recognized in Profit or loss				-7
Accumulated change				**-82**

Any ineffectiveness is recognized in net financial items in the income statement. The hedging instruments are recognized on the line other assets or other liabilities in the statement of financial position.

31. Related parties

Related-party transactions
Related parties are defined as the subsidiaries in the Epiroc Group and companies over which related physical persons have a controlling or significant influence. The Company's largest shareholder, Investor AB, controls approximately 23% of the voting rights in Epiroc AB. Related parties also include transactions with associated companies. Related persons include Board members, senior executives and close family members of the above.

No Board member, senior officer or shareholder has:
(i) been a party to a transaction with the Company on unusual terms or of an unusual nature, or
(ii) that is of importance, or has been of importance, for operations as a whole in the present or immediately preceding fiscal year, or in any previous fiscal year, and in any way may be considered outstanding or incomplete.

Information about participation in Group companies can be found in note A19. The Group has transactions with related parties reported in note 4 where intercompany revenues account for a minor part of total revenues as presented in the note. The parent company's revenue of 194 (158) mainly entails allocation of centrally incurred administration costs. Information about remunerations and other benefits to key management personnel can be found in note 5 and in the Corporate governance report. All intra-group transactions take place on general and commercial terms and at market price.

Transactions with associated companies
The Group sold various products and purchased goods through certain associated companies on terms generally similar to those prevailing with unrelated parties.

The following table summarizes the Group's related-party transactions with its associates.

	2024	2023
Revenues	87	2
Goods purchased	-17	-25
Services purchased	–	0
At Dec. 31:		
Trade receivables	7	2
Trade payables	8	0

32. Events after the reporting period

No significant events have occurred after the balance sheet date.

Parent Company financial information

Income statement

January - December, MSEK	Note	2024	2023
Administrative expenses	A2	-264	-294
Marketing expenses		-32	-30
Other operating income	A3	195	158
Other operating expenses	A3	-10	-14
Operating profit		**-111**	**-180**
Financial income	A4	700	371
Financial expenses	A4	-764	-453
Profit after financial items		**-175**	**-262**
Appropriations	A5	5 318	5 847
Profit before tax		**5 143**	**5 585**
Income tax	A6	-1 046	-1 141
Profit for the year		**4 097**	**4 444**

Statement of comprehensive income

January - December, MSEK	Note	2024	2023
Profit for the year		4 097	4 444
Total comprehensive income for the year		**4 097**	**4 444**

Balance sheet

MSEK	Note	Dec. 31, 2024	Dec. 31, 2023
Assets			
Non-current assets			
Intangible assets		6	0
Tangible assets		6	5
Shares in Group companies	A8, A18	46 260	46 261
Other financial assets	A9	15 055	10 040
Deferred tax assets	A7	31	28
Total non-current assets		**61 358**	**56 334**
Current assets			
Income tax receivable		279	229
Other receivables	A10	6 662	4 784
Cash and cash equivalents	A16	0	0
Total current assets		**6 941**	**5 013**
Total assets		**68 299**	**61 347**
Equity and liabilities			
Equity	A11		
Share capital		500	500
Legal reserve		3	3
Total restricted equity		**503**	**503**
Retained earnings		45 044	44 981
Profit for the year		4 097	4 444
Total non-restricted equity		**49 141**	**49 425**
Total equity		**49 644**	**49 928**
Provisions			
Post-employment benefits	A12	47	58
Other provisions	A13	82	146
Total provisions		**129**	**204**
Liabilities			
Non-current liabilities			
Borrowings	A14	17 036	9 982
Total non-current liabilities		**17 036**	**9 982**
Current liabilities			
Borrowings	A14	1 111	1 031
Other liabilities	A15	379	202
Total current liabilities		**1 490**	**1 233**
Total equity and liabilities		**68 299**	**61 347**

Statement of changes in equity

2024, MSEK	Number of shares outstanding	Share capital	Legal reserve	Retained earnings	Total Equity
Opening balance, Jan. 1	1 206 970 688	500	3	49 425	49 928
Total comprehensive income for the year	–	–	–	4 097	4 097
Dividend	–	–	–	-4 591	-4 591
Divestment of series A shares	1 405 910	–	–	290	290
Share-based payment, equity-settled					
- expense during the year	–	–	–	13	13
- exercise option	–	–	–	-93	-93
Closing balance, Dec. 31	**1 208 376 598**	**500**	**3**	**49 141**	**49 644**

2023, MSEK	Number of shares outstanding	Share capital	Legal reserve	Retained earnings	Total Equity
Opening balance, Jan. 1	1 205 570 326	500	3	48 885	49 388
Total comprehensive income for the year	–	–	–	4 444	4 444
Dividend	–	–	–	-4 103	-4 103
Divestment of series A shares	1 400 362	–	–	279	279
Share-based payment, equity-settled					
- expense during the year	–	–	–	25	25
- exercise option	–	–	–	-106	-106
Closing balance, Dec. 31	**1 206 970 688**	**500**	**3**	**49 425**	**49 928**

See note A11 for additional information.

Statement of cash flows

January - December, MSEK	Note	2024	2023
Cash flow from operating activities			
Operating profit		-111	-180
Adjustments for:			
Depreciation, amortization and impairment		1	1
Capital gain/loss and other non-cash items		-162	-142
Operating cash flow surplus/deficit		**-272**	**-321**
Net financial items received/paid		-54	-87
Group contributions received		5 847	6 638
Taxes paid		-1 096	-1 547
Cash flow before change in working capital		**4 425**	**4 683**
Change in:			
Operating receivables		-2 236	-1 946
Operating liabilities		4	58
Change in working capital		**-2 232**	**-1 888**
Net cash flow from operating activities		**2 193**	**2 795**
Cash flow from investing activities			
Investments in intangible assets		-7	–
Proceeds to/from other financial assets, net		-4 912	-1 866
Net cash flow from investing activities		**-4 919**	**-1 866**
Cash flow from financing activities			
Dividend		-4 591	-4 103
Divestment of own shares		290	279
Borrowings		11 958	7 143
Repayment of borrowings		-4 931	-4 248
Net cash flow from financing activities		**2 726**	**-929**
Net cash flow for the year		**0**	**0**
Cash and cash equivalents, Jan. 1		0	0
Net cash flow for the year		0	0
Cash and cash equivalents, Dec. 31		**0**	**0**

A1. Accounting policies

Epiroc AB is the ultimate Parent Company of the Epiroc Group and is headquartered in Nacka, Sweden. The financial statements of Epiroc AB have been prepared in accordance with the Swedish Annual Accounts Act and the recommendation RFR 2, "Accounting for Legal Entities", hereafter referred to as "RFR 2", issued by the Swedish Financial Reporting Board. In accordance with RFR 2, parent companies that issue consolidated financial statements according to IFRS Accounting Standards, as endorsed by the European Union, shall present their financial statements in accordance with IFRS, to the extent these accounting policies comply with the Swedish Annual Accounts Act and may use exemptions from IFRS provided by RFR 2 due to Swedish accounting or tax legislation. The financial statements are presented in Swedish krona (SEK), which is the accounting currency for Epiroc AB and also the presentation currency. Unless otherwise stated, the amounts presented are in millions Swedish krona (MSEK).

The Parent Company's accounting policies have been consistently applied to all periods presented unless otherwise stated. The financial statements are prepared using the same accounting policies as described in note 1 in the Group's consolidated financial statements, except for those disclosed in the following sections. For information regarding accounting estimates and judgments, see note 2 in the Group´s consolidated financial statements.

Subsidiaries

Participations in subsidiaries are accounted for by the Parent Company at historical cost. The carrying amounts of participations in subsidiaries are reviewed for impairment in accordance with IAS 36, Impairment of Assets. See the Group's accounting policies, Impairment of financial assets, for further details. Transaction costs incurred in connection with a business combination are accounted for by the Parent Company as part of the acquisition costs and are not expensed.

Lease contracts

The Parent Company recognizes leases in accordance with the exemption rule for IFRS 16 provided in RFR 2. All lease contracts entered into by the Parent Company are accounted for as operating leases.

Employee benefits

Defined benefit plans

Defined benefit plans are not accounted for in accordance with IAS 19. In the Parent Company defined benefit plans are accounted for according to the Swedish law regarding pensions,"Tryggandelagen", and regulations issued by the Swedish Financial Supervisory Board. The primary differences as compared to IAS 19 are the way discount rates are fixed, the calculation of defined benefit obligations is based on current salary levels, without consideration of future salary increases and all actuarial gains and losses are included in profit or loss as they occur.

Share-based payments

The share-based payments that the Parent Company has granted to employees in the Parent Company are accounted for using the same principle as described in note 25 in the Group's consolidated financial statements. The share-based payments that the Parent Company has granted to employees in subsidiaries are not accounted for as an employee expense in the Parent Company, but are recognized against Shares in Group companies. This vesting cost is accrued over the same period as in the Group and with a corresponding increase in equity for equity-settled programs and as a change in liabilities for cash-settled programs.

Financial guarantees

Financial guarantees issued by the Parent Company for the benefit of subsidiaries are not valued at fair value. They are reported as contingent liabilities, unless it is probable that the guarantees will lead to payments. In such case, provisions will be recorded.

Financial instruments

The Parent Company applies the exemption rule for IFRS 9 "Financial instruments", in accordance with RFR 2, which means that all financial instruments are reported in accordance with a method based on cost, in accordance with the Swedish Annual Accounts Act, except for impairment of financial assets where the policies for expected credit losses are applied. The Parent Company does not apply hedge accounting.

Group and shareholders' contributions

In Sweden, group contributions are deductible for tax purposes but shareholders' contributions are not. Group contributions are recognized as appropriations in the income statement. Shareholders' contributions are recognized as an increase of shares in group companies and tested for impairment.

A2. Employees, personnel expenses and remunerations to auditors

AVERAGE NUMBER OF EMPLOYEES

	2024			2023		
	Women	Men	Total	Women	Men	Total
Sweden	31	22	53	30	20	50

WOMEN ON EPIROC BOARD OF DIRECTORS AND GROUP MANAGEMENT, %

	Dec. 31, 2024	Dec. 31, 2023
Board of Directors excl. union representatives	56	56
Group Management	23	15

REMUNERATION AND OTHER BENEFITS

	2024		2023	
	Board members and Group Management[1]	Other employees	Board members and Group Management[1]	Other employees
Sweden	41	57	53	39
of which variable compensation[1]	*4*	–	*11*	–

[1] Includes 8 (8) board members who receive fees from Epiroc AB as well as the President and CEO and 4 (5) members of the Group Management who are employed by and receive remuneration and other benefits from the Parent Company.

For information regarding remuneration and other fees for members of the Board, the President and CEO, and other members of Group Management, see note 5, in the consolidated financial statements.

PENSION BENEFITS AND OTHER SOCIAL COSTS

	2024	2023
Contractual pension benefits for Board Members and Group Management	9	8
Contractual pension benefits for other employees	12	12
Other social costs	20	35
Total	**41**	**55**

REMUNERATIONS TO AUDITORS

	2024	2023
Ernst & Young		
Audit fees	9	9
Tax services	0	–
Other services	2	5
Total	**11**	**14**

Audit fees refer to audit of the financial statements and accounting records. For the Parent Company the audit also includes the administration of the business by the Board of Directors, the President and CEO.

Audit activities other than the audit assignment refer, for example, to comfort letters and the limited assurance report on Epiroc´s Sustainability report.

At the Annual General Meeting 2024, Ernst & Young was elected as auditor for the Group until the Annual General Meeting 2025.

A3. Other operating income and expenses

OTHER OPERATING INCOME

	2024	2023
Management fees[1]	194	158
Foreign exchange gains	1	–
Other operating income	0	–
Total	**195**	**158**

OTHER OPERATING EXPENSES

	2024	2023
Management fees[2]	-10	-11
Foreign exchange losses	–	-3
Other operating expenses	0	0
Total	**-10**	**-14**

[1] Income related to services for common group functions in Parent Company.
[2] Expenses related to services for common group functions in Epiroc Rock Drills AB.

A4. Financial income and expenses

	2024	2023
Assets measured at amortized cost		
Interest income		
– cash and cash equivalents	0	0
– receivables from Group companies	695	368
– other	1	–
Interest income at effective interest method	**696**	**368**
Net foreign exchange gain	4	3
Financial income	**700**	**371**
Liabilities measured at amortized cost		
Interest expenses		
– borrowings	-747	-423
– liabilities to Group companies	-17	-30
Interest expenses at effective interest method	**-764**	**-453**
Financial expenses	**-764**	**-453**
Financial expenses, net	**-64**	**-82**

A5. Appropriations

	2024	2023
Group contributions paid	-188	-15
Group contributions received	5 506	5 862
Total	**5 318**	**5 847**

A6. Income tax

	2024	2023
Current tax	-1 048	-1 142
Deferred tax	2	1
Total	**-1 046**	**-1 141**

	2024	2023
Profit before tax	5 143	5 585
The Swedish corporate tax rate, %	20.6	20.6
National tax based on profit before taxes	-1 060	-1 150
Tax effect of:		
Non-deductible expenses	0	-4
Tax-exempt income	16	13
Adjustments from prior years	-2	0
Total	**-1 046**	**-1 141**
Effective tax in %	20.3	20.4

A7. Deferred tax assets and liabilities

The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following:

DEFERRED TAX ASSETS AND LIABILITIES

	2024			2023		
	Assets	Liabilities	Net balance	Assets	Liabilities	Net balance
Post-employment benefits	12	–	12	10	–	10
Other provisions	19	–	19	18	–	18
Net deferred tax assets/liabilities	**31**	**–**	**31**	**28**	**–**	**28**

	2024	2023
Net balance, Jan. 1	28	27
Charges to profit for the year	3	1
Net balance, Dec. 31	**31**	**28**

A8. Shares in Group companies

	2024	2023
Accumulated cost		
Opening balance, Jan. 1	46 261	46 215
Shareholder contributions	-1	46
Closing balance, Dec. 31	**46 260**	**46 261**

For further information about Group companies, see note A18 and A19.

A9. Other financial assets

	2024	2023
Receivables from Group companies	15 006	10 000
Endowment insurance	47	40
Financial assets classified as loans and receivables		
- other financial receivables	2	–
Closing balance, Dec. 31	**15 055**	**10 040**

Endowment insurance relates to defined contribution pension plans and is pledged to the pension beneficiary (see notes A12 and A17).

A10. Other receivables

	2024	2023
Receivables from Group companies	6 611	4 749
Other receivables	1	0
Prepaid expenses and accrued income	50	35
Closing balance, Dec. 31	**6 662**	**4 784**

A11. Equity

For information on share transactions, mandates approved by the Annual General Meeting and proposed dividend for 2024, see note 21 in the consolidated financial statements.

The Parent Company's equity includes a legal reserve which is part of restricted equity and is not available for distribution.

A12. Post-employment benefits

	2024			2023		
	Defined contribution pension plan	Defined benefit pension plan	Total	Defined contribution pension plan	Defined benefit pension plan	Total
Opening balance, Jan. 1	40	18	58	33	13	46
Provision made	7	2	9	7	5	12
Provision used	0	0	0	0	–	0
Provision reversed	–	-20	-20	–	–	–
Closing balance, Dec. 31	**47**	**0**	**47**	**40**	**18**	**58**

The Parent Company has endowment insurance of 47 (40) relating to defined contribution pension plans. The insurance is recognized in other financial assets, and pledged to the pension beneficiary.

Description of defined benefit pension plans
The Parent Company has one defined benefit pension plan. The ITP plan is a final salary pension plan covering employees in Epiroc AB and the benefits are secured through the Epiroc pension trust.

	2024			2023		
	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Defined benefit obligations	22	0	22	–	18	18
Fair value of plan assets[1]	-22	–	-22	–	–	–
Present value of net obligations	**0**	**0**	**0**	**–**	**18**	**18**
Not recognized surplus	–	–	–	–	–	–
Net amount recognized in balance sheet	**0**	**0**	**0**	**–**	**18**	**18**

RECONCILIATIONS OF DEFINED BENEFIT OBLIGATIONS

	2024			2023		
	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Defined benefit obligations at Jan. 1	–	18	18	–	13	13
Service cost	2	2	4	–	5	5
Other changes in obligations[1]	20	-20	0	–	–	–
Benefits paid from plan	0	–	0	–	–	–
Defined benefit obligations at Dec. 31	**22**	**0**	**22**	**–**	**18**	**18**

[1] During 2024 the Parent Company has transferred Defined benefit obligations of 20 to Epiroc pension trust.

PENSION COMMITMENTS PROVIDED FOR IN THE BALANCE SHEET

	2024	2023
Costs excluding interest	3	5
Total	**3**	**5**
Pension commitments provided for through insurance contracts		
Service cost	7	7
Total	**7**	**7**
Net cost for pensions, excluding taxes	**10**	**12**
Special employer's contribution	5	5
Total	**15**	**17**

A13. Other provisions

	2024	2023
Opening balance, Jan. 1	146	167
During the year		
– provisions made	–	42
– provisions used	-55	-63
– provisions reversed	-9	–
Closing balance, Dec. 31	**82**	**146**

Other provisions primarily include provisions for costs related to employee option programs accounted for in accordance with IFRS 2 and UFR 7.

A14. Borrowings

		2024		2023	
	Maturity	Carrying amount	Fair Value	Carrying amount	Fair Value
Non-current					
Medium Term Note Program MSEK 1 000, Fixed	2026	999	981	998	951
Medium Term Note Program MSEK 1 000, Floating	2026	999	1 009	999	1 010
Medium Term Note Program MSEK 1 500, Fixed	2027	1 499	1 561	1 498	1 560
Medium Term Note Program MSEK 500, Floating	2027	500	508	499	508
Medium Term Note Program MSEK 1 000, Fixed	2028	999	1 056	999	1 054
Medium Term Note Program MSEK 500, Floating	2028	499	509	499	508
Medium Term Note Program MSEK 500, Fixed	2029	500	541	500	532
Medium Term Note Program MEUR 500, Fixed	2031	5 681	6 032	–	–
Bilateral borrowings MSEK 1 000, Floating	2027	999	1 043	999	1 057
Bilateral borrowings MSEK 2 000, Floating	2028	1 996	2 042	1 994	2 058
Bilateral borrowings MSEK 1 000, Floating	2029	997	1 042	997	1 043
Bilateral borrowings MAUD 200, Floating	2034	1 368	1 563	–	–
Total non-current borrowings		**17 036**	**17 887**	**9 982**	**10 281**
Current					
Commercial papers		1 111	1 111	1 031	1 031
Total current borrowings		**1 111**	**1 111**	**1 031**	**1 031**
Closing balance, Dec. 31		**18 147**	**18 998**	**11 013**	**11 312**
Of which external borrowings		**18 147**	**18 998**	**11 013**	**11 312**

The difference between carrying value and fair value relates to the measurement method as certain liabilities are reported at amortized cost and not at fair value. Changes in interest rates and credit margins create the difference between fair value and amortized cost.

A15. Other liabilities

	2024	2023
Accounts payable	25	20
Liabilities to Group companies	17	20
Other financial liabilities	11	20
Accrued expenses and prepaid income	326	142
Closing balance, Dec. 31	**379**	**202**

Accrued expenses include items such as social costs, vacation pay liability and accrued interest.

A16. Financial risk management

FINANCIAL CREDIT RISK

	2024	2023
Cash and cash equivalents	0	0
Receivables from Group companies, current	6 611	4 749
Receivables from Group companies, non-current	15 006	10 000
Total	**21 617**	**14 749**

Financial credit risk
Credit risk on financial transactions is the risk that the Parent Company incurs losses as a result of non-payment by counterparties related to the Parent Company's investments and bank deposits. Cash, cash equivalents and receivables from Group companies are subject to impairment testing according to the expected credit loss model. During 2024 the impairment was insignificant and therefore not recognized. The table above shows the actual exposure of financial instruments as of December 31.

A17. Pledged assets and contingent liabilities

	2024	2023
Pledged assets for pension commitments		
Endowment insurance	47	40
Total pledged assets for pension commitments	**47**	**40**
Contingent liabilities		
Sureties and other contingent liabilities		
– for external parties	0	0
– for Group companies	1 809	1 571
Total contingent liabilities	**1 809**	**1 571**
Total	**1 856**	**1 611**

Sureties and other contingent liabilities include commercial and financial bank guarantees and parent company guarantees.

A18. Directly owned subsidiaries

	2024			2023		
	Number of shares	Percent held (%)	Carrying value	Number of shares	Percent held (%)	Carrying value
Epiroc Rock Drills AB, 556077-9018, Örebro	1 026 897	100	46 255	1 026 897	100	46 256
Certus Insurance Inc, 371238, Burlington, VT	100 000	100	5	100 000	100	5
Epiroc Mining India Ltd, U29309PN2017PLC171542, Pune	1	0	0	1	0	0
Carrying amount, Dec. 31			**46 260**			**46 261**

A19. Related parties

Relationships
The Parent Company has related party relationships with its largest shareholders, its subsidiaries, its associates and with its Board members and Group Management. The Parent Company's largest shareholder, Investor AB, controls approximately 23% of the voting rights in Epiroc AB. The subsidiaries that are directly owned by the Parent Company are presented in note A18 and all directly and indirectly owned operating subsidiaries are listed on the following pages.

Information about Board members and Group Management is presented in the Corporate governance report.

Transactions and outstanding balances
The Group has not had any transactions with Investor AB during the year and has no outstanding balances with Investor AB. Investor AB has controlling or significant influence in companies which Epiroc AB may have transactions with in the normal course of business. Any such transactions are made on commercial terms.

The following table summarizes the Parent Company's transactions with Group companies:

	2024	2023
Revenues		
Group contribution	5 506	5 862
Interest income	695	368
Expenses		
Group contribution	-188	-15
Interest expenses	-17	-30
Receivables		
Receivables, current	6 611	4 749
Receivables, non-current	15 006	10 000
Liabilities	**17**	**20**
Guarantees	**1 809**	**1 571**

Directly and indirectly owned subsidiaries (excluding branches), presented by country of incorporation:

Country	Company	Location (City)
Argentina	Epiroc Argentina S.A.C.I.	Buenos Aires
Australia	3D-P Australia Pty Ltd	Southbank, VIC
	Active Core Technology Pty Ltd	Murarrie, QLD
	ASI Mining Pty Ltd	Perth, WA
	Beyond Voice Radio Pty Ltd	East Victoria Park, WA
	CorePhoto Pty Ltd	Ascot, WA
	Corescan Pty Ltd	Ascot, WA
	Coreshed Pty Ltd	Ascot, WA
	CQMS Casting Pty Ltd	Murarrie, QLD
	CQMS Finance Pty Ltd	Murarrie, QLD
	CQMS Group Holdings 1 Pty Ltd	Murarrie, QLD
	CQMS Group Holdings Pty Ltd	Murarrie, QLD
	CQMS Holdings Pty Ltd	Murarrie, QLD
	CQMS Pty Ltd	Murarrie, QLD
	CQMS Razer Pty Ltd	Murarrie, QLD
	CR Australia Holding Pty Ltd	Murarrie, QLD
	Epiroc Australia Pty Ltd	Perth Airport, WA
	Epiroc Financial Solutions Australia Pty Ltd	Perth Airport, WA
	Epiroc South Pacific Holdings Pty Ltd	Perth Airport, WA
	Gen Z Energy Pty Ltd	East Victoria Park, WA
	GeoLease Pty Ltd	Ascot, WA
	Geoscan Pty Ltd	Ascot, WA
	GET Trakka Pty Ltd	Balcatta, WA
	HyLogger Pty Ltd	Ascot, WA
	Hylogging Systems Pty Ltd	Ascot, WA
	JTMEC Holdings Pty Ltd	Perth Airport, WA
	JTMEC Projects Pty Ltd	Perth Airport, WA
	JTMEC Pty Ltd	Perth Airport, WA
	Kinetic Logging Services Pty Ltd	Perth Airport, WA
	MineRP Australia Pty Ltd	Perth Airport, WA
	MineRP Holdings (Australia) Pty Ltd	Perth Airport, WA
	ProReman Pty Ltd	Wacol, QLD
	Radlink Holdings Pty Ltd	Perth, WA
	Radlink Management Pty Ltd	East Victoria Park, WA
	Radlink Networks Pty Ltd	East Victoria Park, WA
	Radlink Pty Ltd	East Victoria Park, WA
	Radlink Solutions Pty Ltd	East Victoria Park, WA
	Remote Control Technologies Pty Ltd	Kewdale, WA
	Vanyacht Pty Ltd	Murarrie, QLD
Austria	Epiroc Österreich GmbH	Vienna
Bolivia	Epiroc Bolivia Equipos y Servicios S.A.	La Paz

A19. Related parties, cont.

Country	Company	Location (City)
Bosnia and Herzegovina	Epiroc B-H d.o.o.	Sarajevo
Botswana	Epiroc Botswana (Pty) Ltd	Gaborone
Brazil	Epiroc Brasil Comercializacao De Produtos E Servicos Para Mineracao E Construcao Ltda	Sao Paulo
Bulgaria	Epiroc Bulgaria EOOD	Sofia
Burkina Faso	Epiroc Burkina Faso SARL	Ouagadougou
Canada	Corescan Ltd	Vancouver, BC
	CQMS Razer Canada Pty Ltd	Vancouver, BC
	CWS Industries (MFG) Corp.	Vancouver, BC
	Epiroc Canada Holding Inc.	Toronto, ON
	Epiroc Canada Inc.	Toronto, ON
	Epiroc FVT Inc.	Toronto, ON
	Evtech Solutions Ltd	Calgary, AB
	Fordia Group Inc.	Montreal, QC
	Les Controles D`Avant-Garde S.C.C	Laval, QC
	Meglab Construction Inc.	Ange-Gardien, QC
	Meglab Electronique Inc.	Val D`Or, QC
	RCT Technologies Inc.	Sudbury, ON
Chile	Corescan SpA	Santiago
	CQMS Razer (Chile) S.A.	Santiago
	Epiroc Chile S.A.C.	Santiago
	Epiroc Distribution Chile SpA	Santiago
	Epiroc Financial Solutions Chile Ltda	Santiago
	Fordia Sudamerica Ltd	Santiago
	Mining Tag S.A.	Santiago
	Perfomex Chile SpA	Santiago
	RCT Global SpA	Santiago
China	CQMS Razer (Hong Kong) Mining Equipment Co., Ltd	Hong Kong
	CR (Ningbo) Mining Equipment Co., Ltd	Ningbo
	Dongying CQMS Razer Mining Equipment Co., Ltd	Dongying
	Epiroc (Nanjing) Construction and Mining Equipment Co., Ltd	Nanjing
	Epiroc (Shenyang) Trading Co., Ltd	Shenyang
	Epiroc (Zhangjiakou) Construction & Mining Equipment Co., Ltd	Zhangjiakou
	Epiroc Hong Kong, Ltd	Hong Kong
	Epiroc Tools and Attachments (Shanghai) Co., Ltd	Shanghai
	Epiroc Trading Co., Ltd	Nanjing
	Fordia (Changzhou) Mining Equipment Co., Ltd	Changzhou
	GIA (Nanjing) Mining Equipment Co., Ltd	Nanjing
	Hefei Intaca Science & Technology Development Co., Ltd	Hefei
Colombia	Epiroc Colombia S.A.S	Bogota
	Fordia Colombia S.A.S	La Estrella
Croatia	Epiroc Croatia d.o.o.	Zagreb
Czech Republic	Epiroc Czech Republic s.r.o.	Prague
Democratic Repuplic of the Congo	Epiroc DRC SARLU	Lubumbashi
	Epiroc Services DRC SAS	Kolwezi
Dominican Republic	Epiroc Republica Dominicana, S. A. S.	Santo Domingo
Ecuador	Epiroc Ecuador S.A.	Guayaquil
Estonia	Sautec AS	Tallinn
Finland	Epiroc Finland Oy Ab	Vantaa
France	Ateliers De Construction Du Beaujolais SAS	Saint-Lager
	Dubuis et Cie SAS	Villebarou
	Epiroc France SAS	Cergy-Pontoise
	Fordia Europe Sarl	Le Perray-en-Yvelines
	SCI ACB	Saint-Lager
Germany	Construction Tools GmbH [1)]	Essen
	Construction Tools Solution Center GmbH [1)]	Essen
	Epiroc Deutschland GmbH [1)]	Essen
Ghana	Epiroc Equipment Ghana Ltd	Accra
Greece	Epiroc Hellas S.A.	Athens
India	Epiroc Mining India Private Ltd	Pune
Indonesia	PT Epiroc Southern Asia	Jakarta
Italy	Epiroc Italia S.r.l.	Milan
Ivory Coast	Epiroc Cote d'ivoire Sarl	Abidjan
Japan	Epiroc Japan KK	Kanagawa
Kazakhstan	Epiroc Central Asia LLP	Astana
Kenya	Epiroc Eastern Africa Ltd	Nairobi
Kyrgyzstan	Epiroc Kyrgyzstan LLC	Bishkek
Laos	Epiroc (Lao) Sole Co. Ltd	Ban Phiavat
Mali	Epiroc Mali SARL	Bamako
Mexico	Corescan, S.A. de C.V.	Hermosillo

Country	Company	Location (City)
	Epiroc México, S.A. de C.V.	Tlalnepantla
	Refacciones Neumáticas La Paz, S.A. de C.V.	Matehuala
Mongolia	Epiroc Mongolia LLC	Ulaanbaatar
	Modern Machine Engineers Gobi LLC	Khanbogd soum
Morocco	Epiroc Maroc SARL	Casablanca
Mozambique	Epiroc Moçambique Limitada	Maputo
Namibia	Epiroc Mining (Namibia) (Pty) Ltd	Windhoek
North Macedonia	Epiroc North Macedonia DOOEL	Skopje
Norway	Epiroc Norge AS	Langhus
Panama	Epiroc Central América S.A.	Panama
Peru	Corescan S.A.C.	San Bora
	Epiroc Perú S.A.	Lima
	Fordia Andina S.A.C.	Lima
	Mining Tag Peru S.A.C.	Lima
	Perfomex Perú S.A.C.	Lima
Philippines	Epiroc Philippines Inc.	Laguna
Poland	Epiroc Polska Sp. z o.o.	Warsaw
Portugal	Epiroc Portugal Unipessoal Lda	Porto Salvo
Russia	Epiroc RUS LLC	Moscow
Serbia	Epiroc Srbija a.d.	Belgrade
Singapore	Epiroc Singapore Distribution Pte. Ltd	Singapore
South Africa	Aard Mining Equipment (Pty) Ltd	Krugersdorp
	Central Queensland Mining Supplies (Africa) Proprietary Ltd	Germinston
	CHT Beleggings (Pty) Ltd	Aeroton
	Elytica (Pty) Ltd	Potchefstroom
	Epiroc Holdings South Africa (Pty) Ltd	Boksburg
	Epiroc South Africa (Pty) Ltd	Boksburg
	Fordia South Africa (Pty) Ltd	Alberton
	Innovative Mining Products (Pty) Ltd	Aeroton
	K2024020098 (SOUTH AFRICA) (Pty) Ltd	Krugersdorp
	K2024020117 (SOUTH AFRICA) (Pty) Ltd	Krugersdorp
	Keep Investments (Pty) Ltd	Aeroton
	Mernok Elektronik (Pty) Ltd	Centurion
	MineRP South Africa (Pty) Ltd	Centurion
	New Concept Mining (Pty) Ltd	Aeroton
	Nicaud Companies 22 (Pty) Ltd	Aeroton
	Polkadots Properties 117 (Pty) Ltd	Krugersdorp
	Retfin 211 (Pty) Ltd	Aeroton
	WECO (Pty) Ltd	Krugersdorp
South Korea	D and A Heavy Industries Co.,Ltd	Seoul
	Epiroc Korea Co., Ltd	Seongnam
Spain	Epiroc Minería e Ingeniería Civil España, S.L	Coslada
Sweden	Construction Tools PC AB	Kalmar
	Epiroc Drilling Tools AB	Fagersta
	Epiroc Financial Solutions AB	Nacka
	Epiroc Gällersta Gryt 4:9 HB	Örebro
	Epiroc Mining Intelligence AB	Luleå
	Epiroc Rock Drills AB	Örebro
	Epiroc Sweden AB	Norsborg
	Epiroc Treasury AB	Nacka
Switzerland	Epiroc Schweiz AG	Studen
Tajikistan	Epiroc Tajikistan LLC	Rogun
Tanzania	Epiroc Tanzania Ltd	Dar es Salaam
Thailand	Epiroc (Thailand) Ltd	Bangna
Turkey	Epiroc Makina AS	Istanbul
Ukraine	Epiroc Ukraine LLC	Kiev
United Arab Emirates	Epiroc Middle East FZE	Dubai
United Kingdom	Corescan Ltd	Kensington
	CR UK Holding Ltd	London
	Epiroc UK and Ireland Ltd	Hemel Hempstead
USA	ASI Mining LLC	Logan, UT
	Certus Insurance Inc.	Burlington, VT
	Corescan Inc.	Chapel Hill, NC
	CPE Acquisition Co.	Ooltewah, TN
	CR Americas Inc.	Portland, OR
	CR Mining Equipment (USA) LLC	Portland, OR
	Epiroc Drilling Solutions LLC	Garland, TX
	Epiroc Drilling Tools LLC	Fort Loudon, PA
	Epiroc Financial Solutions USA LLC	Garland, TX
	Epiroc Industrial Tools and Attachments LLC	Milwaukie, OR
	Epiroc North America Corp.	Garland, TX
	Epiroc USA LLC	Commerce City, CO
	EPRC Export Corp.	Garland, TX
	Italparts USA LLC	Garland, TX
	JCAC Technologies Inc.	Payson, AZ
	Jewel Attachments LLC	Akron, OH

Country	Company	Location (City)
	JRB Attachments LLC	Akron, OH
	Kodiak Mfg Inc.	Ooltewah, TN
	Paladin Brands Group Inc.	Milwaukie, OR
	Paladin Brands International Holdings Inc.	Milwaukie, OR
	Palading Brands Holdings Inc.	Milwaukie, OR
	Pengo Corp.	Milwaukie, OR
	RCT Global Inc.	Midvale, UT
	Sweepster Attachments LLC	Dexter, MI
Uzbekistan	Epiroc Mining and Construction Technique FE LLP	Tashkent
Zambia	Epiroc Zambia Ltd	Chingola
Zimbabwe	Epiroc Zimbabwe (Private) Ltd	Harare

1) These companies have made use of the exemption rights under Sec. 264 para. 3 of the German Commercial Code (HGB) since 2018.

A20. Events after the reporting period

No significant events have occurred after the balance sheet date.

Signatures of the Board of Directors

The financial statements have been prepared in accordance with generally accepted accounting policies in Sweden and the consolidated financial statements have been prepared in accordance with International Accounting Standards as prescribed by the European Parliament and the Regulation (EC) No 1606/2002 dated July 19, 2002 on the application of International Accounting Standards.

The audited Annual Report for the Group and Parent Company provides a true and fair view of the business development, financial position and result of operation of the Parent Company and the consolidated Group and describes significant risks and uncertainties that the Parent Company and its subsidiaries face. The Annual Report also includes the sustainability reporting for the Group and the Parent Company in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, in accordance with the old version in force before 1 July 2024.

Nacka, March 20, 2025

Ronnie Leten
Chair of Board

Helena Hedblom
Board member
President and CEO

Johan Forssell
Board member

Ulla Litzén
Board member

Lennart Evrell
Board member

Jeane Hull
Board member

Astrid Skarheim Onsum
Board member

Sigurd Mareels
Board member

Anthea Bath
Board member

Kristina Kanestad
Employee representative

Niclas Bergström
Employee representative

Our audit report was submitted on March 20, 2025

Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Auditor's report

This is an in house translation from the Swedish original.

To the general meeting of the shareholders of Epiroc AB (publ), corporate identity number 556041-2149

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Epiroc AB (publ) except for the corporate governance statement on pages 56-65. The annual accounts and consolidated accounts of the company are included on pages 42-205 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 the parent company as of 31 December 2024 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 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 56-65. The statutory administration report is 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 income statement and the statement of financial position for 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.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition

Description	*How our audit addressed this key audit matter*
The group recognize revenue from a wide range of geographical markets and the revenues are generated from product- and product related offerings such as equipment and service. The timing of revenue recognition can vary from a point in time to recognition over time. Judgement may be required in assessing if control has been transferred to the customer and to determine the satisfaction of performance obligations. Disclosures related to the group's accounting principles, critical accounting estimates and judgement are provided in note 4 and also provides disclosures regarding revenue disaggregated by operating segment and geography. Based on the above, we have assessed the revenue recognition as a key audit matter in our audit.	In our audit we have assessed the group's processes for revenue recognition. Further, we have reviewed the group's accounting manual and assessed whether the policies for revenue recognition are in accordance with the applicable accounting standards. We have on a sample basis examined significant revenue contracts and evaluated the identified performance obligations and determinations made regarding when performance obligations are considered satisfied. In addition, we have on a sample basis performed detailed revenue transaction testing and revenue data analytical procedures to assess the revenue recognition. We have also assessed the appropriateness of the disclosures provided in the annual report.

Valuation of inventory

Description	*How our audit addressed this key audit matter*
The group's inventory amounts to 19,191 MSEK (18,747 MSEK) as of December 31, 2024, which corresponds to 23 percent (28 percent) of the group's total assets. The inventory consists of goods and spare parts. Valuation of inventory is subject to management's estimates for determining its cost and its net realizable value. In note 17 the group's inventory valuation policy and critical accounting estimates and judgments relating to inventory valuation are described. Based on the above, we have assessed the valuation of inventory as a key audit matter in our audit.	In our audit, we have evaluated the group's processes for valuation of inventory and reviewed the group's accounting manual. We have also assessed whether the policies for valuation of inventory are in accordance with the applicable accounting standards. We have on a sample basis examined the inventory valuation in the group and assessed the determinations made by management regarding the groups estimates on valuation of inventory. We have also on a sample basis examined the net realizable value of inventory and provisions for inventory obsolescence. We have also assessed the appropriateness of the disclosures provided in the annual report.

Valuation of Goodwill

Description	*How our audit addressed this key audit matter*
As at December 31, 2024, the carrying value of goodwill amounts to 16,699 MSEK (10,222 MSEK), which corresponds to 20 percent (15 percent) of the group´s total assets. Goodwill is allocated to the group's different cash generating units. Goodwill is tested for impairment at least annually or whenever there are indicators of impairment. The test is carried out by comparing the recoverable amount to the carrying value. To calculate the recoverable amount management applies significant judgment and estimates regarding future cash flows, growth rate and discount rates. The impairment tests for 2024 did not result in any impairment. Disclosures related to the group's accounting principles, significant accounting estimates and judgements as well as disclosures related to the impairment tests performed are provided in note 13. Based on carrying value of the goodwill and the high degree of estimates required to perform the impairment tests, we have assessed the valuation of goodwill as a key audit matter in our audit.	In our audit, we have evaluated the group's process for conducting impairment tests. Based on established criteria, we have examined how the group identifies cash-generating units. With support from our internal valuation specialists, we have evaluated the valuation methods used. We have assessed the reasonableness of assumptions, conducted sensitivity analysis, and compared them to historical outcomes. Finally, we have assessed the appropriateness of the disclosures provided in the annual report.

Accounting for business combinations

Description	*How our audit addressed this key audit matter*
In the fiscal year 2024, the acquisition of Stanley Infrastructure was finalized, for a total consideration of 8.0 billion SEK. The acquired assets and liabilities must be separately identified and valued at fair value at the date of the acquisition. For acquired assets and liabilities for which there is no active market management must apply valuation models and significant estimates in order to determine the fair value. Disclosures related to the group's accounting principles, significant accounting estimates and judgements as well as disclosures related to the business combinations performed are provided in note 3. Based on the significance of the total consideration of Stanley Infrastructure and the high degree of management estimate required to account for these matters, we have assessed the accounting for the business combination as a key audit matter in our audit.	In our audit, we have evaluated the group's process for accounting of business combinations We have reviewed the purchase agreement and the purchase price allocation for the acquisition. With support from our internal valuation specialists, we have evalu-ated the valuation methods used and the significant estimates used when accounting for the business combination. The models and estimates have been tested by comparing them to historical out-come, future cash flow forecasts as well as external sources and established valuation techniques. Further we have performed sensi-tivity analyzes for significant estimates. Finally, we have assessed the appropriateness of the disclosures provided in the annual report.

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 210-211. The remuneration report for 2024 which will be authorized for release after the date of this auditors report also constitutes other information. 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.

If we conclude that the remuneration report contains a material misstatement, we are required to raise the matter with the Board of Directors and request a correction.

Responsibilities of the Board of Directors and the Managing Director

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 Accounting Standards 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 intends 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration 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 Directors and the Managing Director of Epiroc AB (publ) for the year 2024 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 Directors 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 Directors 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's 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

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 Epiroc AB (publ) for the financial year 2024.

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 opinion

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 Epiroc 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 Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with 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 ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable 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 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 audit 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 have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 56-65 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Epiroc AB (publ) by the general meeting of the shareholders on the 14th of May 2024 and has been the company's auditor since the 25th of April 2022.

Stockholm, March 7, 2024
Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Multi-year summary

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Growth										
*Orders received, MSEK	27 551	27 634	33 831	39 400	39 492	36 579	45 648	53 222	59 332	62 213
*Total order growth, %	+0	+0	+22	+16	+0	-7	+25	+17	+11	+6
*Organic order growth, %	-7	+3	+20	+13	-5	+0	+26	+2	+1	+3
Revenues, MSEK	28 663	27 102	31 364	38 285	40 849	36 122	39 645	49 694	60 343	63 604
Total revenue growth, %	+4	-5	+16	+22	+7	-12	+10	+25	+21	+5
*Organic revenue growth, %	-3	-3	+14	+18	+1	-5	+12	+11	+9	+2
*Book-to-bill, %	96	102	108	103	97	99	115	107	98	98
Costs										
Cost of sales, MSEK	-18 463	-18 003	-20 101	-24 317	-25 547	-22 418	-24 192	-30 675	-37 197	-40 658
Administrative expenses, MSEK	-1 848	-1 879	-2 121	-2 589	-3 261	-2 817	-3 166	-3 628	-4 105	-4 531
Marketing expenses, MSEK	-2 346	-2 164	-2 280	-2 574	-2 797	-2 225	-2 313	-3 042	-3 959	-4 250
Research and development expenses, MSEK	-861	-662	-795	-977	-1 035	-1 032	-1 172	-1 438	-1 930	-2 282
Research and development expenses, % of revenue	3.0	2.4	2.5	2.6	2.5	2.9	3.0	2.9	3,2	3.6
Profitability										
Gross profit, MSEK	10 200	9 099	11 263	13 968	15 302	13 704	15 453	19 019	23 146	22 946
*Gross margin, %	35.6	33.6	35.9	36.5	37.5	37.9	39.0	38.3	38,4	36.1
* EBITDA, MSEK	6 570	5 765	7 183	8 753	10 114	9 128	10 740	13 276	15 843	15 827
* EBITDA margin, %	22.9	21.3	22.9	22.9	24.8	25.3	27.1	26.7	26,3	24.9
* Adjusted operating profit, MSEK				7 779	8 582	7 669	9 098	11 755	13 117	12 624
* Adjusted operating margin, %				20.3	21.0	21.2	22.9	23.7	21,7	19.8
Operating profit, MSEK		4 548	5 930	7 385	8 136	7 382	8 995	11 147	13 183	12 385
* Operating margin, %		16.8	18.9	19.3	19.9	20.4	22.7	22.4	21,8	19.5
Profit before tax, MSEK	4 955	4 411	5 793	7 201	7 843	7 087	8 964	10 778	12 235	11 439
* Profit margin, %	17.3	16.3	18.5	18.8	19.2	19.6	22.6	21.7	20,3	18.0
Profit for the period, MSEK	3 571	3 231	4 298	5 437	5 884	5 410	7 069	8 411	9 458	8 756
Capital efficiency										
Capital employed, MSEK, period end	22 400	23 933	19 286	25 927	31 838	34 700	35 329	44 534	51 437	65 398
Average capital employed, MSEK	21 727	23 167	21 674	23 086	29 518	34 033	34 485	39 794	48 815	60 153
Average capital employed, excl. cash, MSEK		22 696	20 812	19 469	23 221	21 818	21 543	29 477	42 896	51 916
* Return on capital employed, %	23.8	19.6	27.4	32	27.6	21.7	26.1	28.0	27,0	20.6
* Capital employed turnover ratio			1.4	1.7	1.4	1.1	1.1	1.2	1,2	1.1
Net debt (+)/Net cash (-), MSEK			5 424	1 208	483	-4 137	-1 304	3 691	7 824	14 778
* Net debt/EBITDA ratio			0.75	0.14	0.05	-0.45	-0.12	0.28	0,49	0.93
* Net Debt/equity, %, period end			45.0	6.4	2.1	-17.4	-5.1	11.0	21,0	34.2
* Equity ratio, period end			43.7	52.1	55.6	54.1	53.1	54.2	54,9	51.7
Net working capital, MSEK, average			9 991	12 158	14 062	12 217	11 495	15 570	21 228	23 803
* Net working capital, MSEK, period end			10 173	12 897	13 153	10 571	12 186	18 564	21 736	24 322
Average net working capital, % of revenue			31.9	31.8	34.4	33.8	29.0	31.3	35,2	37.4
Credit rating S&P, period end				BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+
Cash generation										
* Operating cash flow, MSEK	5 630	4 880	4 610	3 884	6 688	7 006	6867	5 662	6 211	9 132
Cash conversion rate, %, 12 months	158	151	107	71	114	130	97	67	66	104
Equity information										
Basic number of shares outstanding, millions	1 212	1 212	1 212	1 206	1 201	1 204	1 206	1 206	1 206	1 208
Diluted number of shares outstanding, millions	-	-	-	1 206	1 202	1 205	1 208	1 208	1 207	1 208
Equity per share, SEK, period end	12.3	12.7	9.94	15.63	19.02	19.71	21.38	27.80	30,8	35.7
Basic earnings per share, SEK	2.95	2.66	3.55	4.50	4.89	4.48	5.85	6.96	7,82	7.23
Diluted earnings per share, SEK	-	-	-	4.49	4.89	4.48	5.84	6.95	7,81	7.23
* Return on equity, %			29.1	33.2	28.3	22.7	29.5	28.4	26,8	22.2
* Operating cash flow per share, SEK	4.60	4.00	3.80	3.20	5.57	5.82	5.69	4.69	5,15	7.56
Dividend per share, SEK				2.10	2.40	2.50	3.00	3.40	3.80	3.80**
Payout ratio, %				47	49	56	51	49	49	50**
Redemption per share, SEK						3.00	-	-	-	-

* Several key figures are not defined according to IFRS. The alternative performance measures are marked with a * and are unchanged compared to previous periods. They provide complementary information aiming to help readers to analyze the company's operations and facilitate an evaluation of performance. Since not all companies calculate financial performance measures in the same manner, these are not always comparable with measures used by other companies. These financial performance measures should therefore not be regarded as a replacement for measures as defined according to IFRS. For a full list of financial definitions, non-IFRS measures and calculations, see next page.

** Proposed by the Board of Directors.

Financial definitions

Alternative performance measures

Key figure	Description	Reason for use
Adjusted operating margin	Adjusted operating profit in % of revenues.	A measurement of the operational profit which enables comparisons over time by excluding items that are irregular in frequency or size.
Adjusted operating profit	Operating profit adjusted for items affecting comparability.	Enables comparisons over time - and between companies - by excluding items that are irregular in frequency or size.
Book-to-bill	Orders received divided by revenues.	An indicator of demand trends.
Cash conversion, %	Operating cash flow divided by net profit, rolling 12 months	The cash conversion rate measures how efficiently a company converts its net income into operating cash flow.
Capital employed (average)	Average total assets [1] less average non-interest-bearing liabilities/provisions. Capital employed for the segments excludes cash, tax liabilities and tax receivables.	Shows how much of total capital is tied to operations.
Capital employed turnover ratio	Revenues [2] divided by the average capital employed [1].	Shows how efficiently Epiroc generates revenues from the capital utilized to run operations.
Capital turnover ratio	Revenues [2] divided by average total assets [1].	Shows how effectively total assets are used.
EBITDA	Earnings before interest, taxes, depreciation and amortization. Alternatively; the operating profit plus depreciation, impairment and amortization.	An indicator of cash generating ability.
EBITDA margin	EBITDA as % of revenues.	An indicator of cash generating ability.
Equity ratio	Equity including non-controlling interests, as % of total assets.	A measure of financial risk showing how much of Epiroc's total assets that have been financed with equity.
Gross margin	Gross profit as % of revenues.	Measures how much of Epiroc's revenues are left after paying the costs of goods sold.
Items affecting comparability	Items such as operating profit/loss from acquisitions and divestments, one-time items (restructuring) and change in provision for share-based long-term incentive programs.	Shows how non-recurring items have affected the result.
Large orders	Orders above MSEK 100.	Shows orders impacting comparability.
Net debt	Interest-bearing liabilities and post-employment benefits, adjusted for the fair value of interest rate swaps, less cash and cash equivalents and certain other financial receivables.	A measurement of the financial position.
Net debt/EBITDA ratio	Net debt in relation to EBITDA.[2]	A measurement of financial risk.
Net debt/equity ratio	Net debt in relation to equity, including non-controlling interests.	A measurement of financial risk.
Net working capital	Working capital net of inventories, trade receivables, trade payables, other operating assets and liabilities.	Measures Epiroc's liquidity and capital efficiency.
Operating cash flow	Cash flow from operations and cash flow from investing activities, excluding company acquisitions/divestments, as well as other adjustments.	Indicates Epiroc's ability to generate sufficient positive cash flow to maintain and grow operations.
Operating cash flow per share	Operating cash flow divided by basic number of shares outstanding.	Improves the ability to make comparisons over time.
Operating margin	Operating profit as % of revenues.	Helps monitor Epiroc's fulfillment of the financial goal of having market leading profitability.
Orders on hand	Orders on hand are orders that have been placed but not yet completed and recognized as revenues.	As from 2024, Epiroc does not include orders on hand (order book) in orders received when acquiring companies. The reported orders received in 2023 of MSEK 59 332 included orders on hand from acquired companies of MSEK 433 for the group, of which MSEK 30 for Equipment & Service and MSEK 402 for Tools & Attachments. Figures in the Admin report have been restated.
Orders received and order growth	Orders received in MSEK in a period. The total order growth includes the contribution from organic growth, currency and structure.	A good indicator of demand for Epiroc's equipment and aftermarket.
Organic growth	Organic growth is total growth excluding the contribution from currency and structure. Alternatively, the growth that is based on volume and price.	Explains how volume, price and product/service mix changes drive the growth.
Pay-out ratio	Dividend per share as % of basic earnings per share.	Facilitates monitoring of Epiroc's financial target of a payout ratio of 50%.
Profit margin	Profit before tax as % of revenues.	An indicator of profitability.
Return on capital employed	Operating profit [2] as % of average capital employed [1].	Measures how efficiently Epiroc generates profits from the capital utilized to run operations.
Return on equity	Profit for the period [2] divided by average equity, excluding non-controlling interest [1].	Shows Epiroc's ability to generate a return on the investments made by shareholders.

1) Calculated as an average of five quarters. In 2016 and 2015, however, it was calculated as an average of two periods.
2) 12 months' value.

On the cover: The Minetruck MT42 SG combines the power of a battery-electric mining truck with a trolley system, providing customers one of the lowest cost/tonne on the market. This is primarily attributed to its low energy consumption, facilitated by continuous battery regeneration, along with minimal preventive maintenance requirements and reduced ventilation needs.

Epiroc in brief

Epiroc is a global productivity partner for mining and infrastructure customers. With ground-breaking technology, Epiroc develops and provides innovative and safe equipment, such as drill rigs, rock excavation and construction equipment and tools for surface and underground applications. The company also offers world-class service and other aftermarket support as well as solutions for automation, digitalization and electrification. Epiroc is based in Stockholm, Sweden, had revenues of around SEK 64 billion in 2024, and almost 19 000 passionate employees supporting and collaborating with customers in around 150 countries.

Our vision
Dare to think new.

Our mission
Drive the productivity and sustainability transformation in our industry.

Our core values
Innovation, Commitment and Collaboration.

Strategy
By being in attractive niches and prioritizing innovation, aftermarket and operational excellence, we strive to achieve outperformance. Our success is reinforced by our strong company culture and our integrated approach to sustainability.

Investment case

- We create value for our stakeholders
- We focus on attractive niches with structural growth
- We accelerate the productivity and sustainability transformation in our industry
- We have a high proportion of recurring business
- We have a well-proven business model
- Our success is based on sustainability and a strong corporate culture

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