

A close-up photograph of a yellow Epiroc machine, likely a tunnel boring machine (TBM), in a dark tunnel. A thick black cable runs diagonally across the foreground. The machine's yellow body is prominent, with various mechanical components and a control panel visible. The background is dark, with some lights visible in the distance.

Green bond report

March 2025



Sustainability at Epiroc

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.

We are committed to integrating sustainability into our strategy and operations. 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 policies, 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 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 CO₂e 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 CO₂e 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 have targets to offer a full range of emissions-free¹ 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 in "Epiroc Annual and Sustainability Report 2024". Our approach and our 2030 climate targets validated by the SBTi enable a long-term ambition of net-zero CO₂e emissions by 2050 and go hand in hand with EU's goal of a climate-neutral economy in 2050.

Green bond allocation process

Epiroc has established a Green Bond Committee to evaluate and select projects that are in line with the criteria set out in the Categories and impact section. The committee meets at least on an annual basis or when needed, each decision is made in consensus. The Green Bond Committee is comprised of representatives from Group Treasury, Group Sustainability, Group M&A and Strategy, R&D Council, Global SHEQ (Safety, Health, Environment and Quality) and Divisional Controlling and Finance.

The Green Bond Committee is responsible for evaluating the compliance of proposed projects with the eligibility criteria outlined in the Categories and impact section. The Committee needs to consider replacing investments that no longer meet the eligibility criteria (e.g. following divestment, liquidation, concerns regarding alignment of underlying activity with eligibility criteria, etc.), on a best effort basis, reviewing and updating the content of the Green Bond Framework and managing any future updates of this document to reflect relevant changes in Epiroc's corporate strategy, technology, and market developments.

Projects are allocated during the lifecycle of the bonds, i.e. before the maturity date.

¹ Emissions-free products do not emit exhaust gas or other pollution from the onboard source of power, also referred to as zero tailpipe emissions.

Allocation of outstanding green bonds

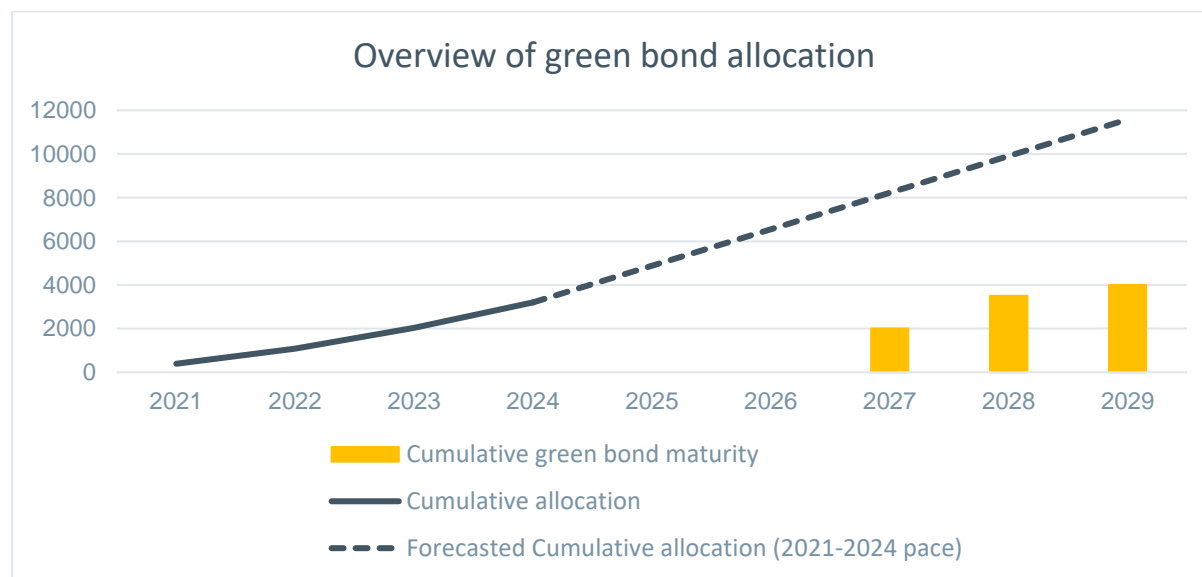
Epiroc's green bonds are issued under Epiroc's Euro Medium Term Notes (EMTN) program. There are five outstanding green bonds with the goal to reach full allocation before their respective maturity. The allocated percentage applies regardless of the tranche (FRN/FXD), i.e. same relative weight applies on each tranche.

Table 1. Issued green bonds

Details	EMTN GREEN 2027	EMTN GREEN 2028	EMTN GREEN 2029
Volume (MSEK)	2000	1500	500
Tenor (Years)	5	5	5.5
Percent allocated	100%	80%	0%
Volume FRN/FXD	FRN 500 / FXD 1500	FRN 500 / FXD 1000	FXD 500
Coupon FRN/FXD	STIB3M+120bps / 4.155%	STIB3M+110bps / 4.063%	4.500%
Listing	EURONEXT-DUBLIN	EURONEXT-DUBLIN	EURONEXT-DUBLIN

Epiroc's pace of allocation is in line with the cumulative maturity of issued green bonds. The pace is more likely to increase than stay constant. The 2027 bond maturity has been fully allocated, the 2028 bond has been allocated to 80%, and all five bonds have been 80% allocated all together. Last year's Green bond report had a total allocation of MSEK 1 998, while current total allocation is MSEK 3 201, indicating a slightly faster pace.





Graph 1. Overview of green bond allocation




Categories and impact

Epiroc has the possibility to allocate funds within the scope of three different categories.

Table 2. Green bond framework categories

Categories	Eligible Projects	UN SDGs
Eco-efficient and/or circular economy adapted products, production technologies and processes	<p>Sustainable and circular production and processes that optimize and modernize our product offering and our customers' operations</p> <p>Capital expenditures, operational expenditures such as R&D, acquisitions and fossil free customer finance loans and lease contracts are eligible in processes under the following categories:</p> <ul style="list-style-type: none"> • Financing of investments to enable fossil free technologies such as trolley, battery, hydrogen and biofuel based • Financing of investments in diesel-to-fossil free product conversion and Batteries-as-a-Service product offering • Financing of investments to build capability to produce fossil-free products in production and supply chain • Financing of investments in fossil free, autonomous and digital application for reduced energy consumptions in processes such as drilling, bolting, loading, hauling and ventilation • Financing of investments in projects such as SUM (Sustainable Underground Mining) and NEXGEN SIMS, (Sustainable Intelligent Mining Systems) boosting development and innovation for fossil free technology • Financing of investments in tools or methods needed to prolong the life cycle of fossil free equipment • Financing of customer finance and refinance customers finance loan and lease contracts for fossil free equipment only to clients fulfilling the Swedish Export Credit Agency (EKN) assessment on risk of negative environmental impact and defined end user • Financing of investments in environmentally certified raw materials and products such as fossil-free steel • Design for recycling, circularity and reuse of material 	 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>  <p>Ensure sustainable consumption and production patterns</p>  <p>Take urgent action to combat climate change and its impacts</p>
Energy efficiency	<p>Increase in Energy Efficiency</p> <ul style="list-style-type: none"> • Financing of investments in resource-efficient processes for processing of raw materials, water, or waste • Financing of investments in production and operation facilities that reduce CO2 emissions • Financing of investments in resource and energy efficiency in production and supply chain • Financing of investment in solar-panel's, within production facilities • Financing of investments in development of design solutions and data management to optimize energy efficiency in fossil free equipment in customers operations 	 <p>Affordable, reliable, sustainable, and modern energy for all</p>

	<ul style="list-style-type: none"> For investments under this category Epiroc will cater for: a) Minimum 10% energy savings associated with fossil free solutions. For the avoidance of doubt green bonds issued under this the framework will exclusively be allocate to expenditures that promote fossil free solutions within the Eligible Project categories. b) Minimize long term negative climate impact, any potential lock-in and/or rebound effects c) Minimal negative climate impact from the technology used 	
Sustainable water and wastewater management	<p>Facilitating sustainable infrastructure for clean and/or drinking water and draining systems Eligible investments include:</p> <ul style="list-style-type: none"> Financing of investments in development of water-well drilling equipment Financing of investments in optimizing management and reduction of wastewater in operations Financing of investments in water efficient / -free drilling systems in drilling applications 	 <p>Sustainable management and availability of water and sanitation for all</p>

Epiroc has to date allocated projects within the categories Eco-efficiency, Energy efficiency and Sustainable water management. The acquisitions of JTMEC, Meglab and the digital business of CR are all eligible under the Eco-efficiency category. Battery related projects include R&D, battery fleet, workshops, and test equipment.

Table 3. Projects and categories

Project (MSEK)	Category	2021	2022	2023	2024	Total
Acquisition of JTMEC	Eco-efficient/circular economy	0	262	0	0	262
Acquisition of Meglab	Eco-efficient/circular economy	187	0	0	0	187
Part of CR acquisition (Digital)	Eco-efficient/circular economy	0	0	418	0	418
Acquisition of ASI Mining	Eco-efficient/circular economy	0	0	0	703	703
Battery related projects	Eco-efficient/circular economy	170	380	506	339	1395
Financing of customer loans ²	Eco-efficient/circular economy	0	26	13	102	141
Solar panels	Energy efficiency	20	3	19	18	60
Water4All	Sustainable water	13	18	2	2	35
Total		390	689	958	1 164	3 201

² Financing of customer loans is a new category that has been added during the 2024 allocation process. Allocations for 2022 and 2023 have been retrospectively allocated.

Projects eligible for green financing

Example 1. Boliden, Epiroc and ABB make first battery-electric trolley truck system for underground mining a reality



First battery-electric trolley truck system for underground mining

Boliden, Epiroc and ABB have passed a new technology milestone by successfully deploying the first fully battery-electric trolley truck system on an 800 meter long underground mine test track in Sweden, with a 13% incline. This means the mining industry is a step closer to realizing the all-electric mine of the future, with sustainable, productive operations and improved working conditions.

The achievement of the collaboration in Boliden's Kristineberg mine in northern Sweden marks a critical moment for the mining industry as it continues to face rising pressures to balance increased outputs of critical minerals and metals with lower carbon emissions and energy usage. Boliden intends to implement a full scale, autonomous electric-trolley system in the Rävliiden mine, a satellite orebody and

extension of the Kristineberg mine, and has placed an order for four (4) Minetruck MT42 SG Trolley trucks from Epiroc. The total distance will be 5 km at a depth of 750 meters. Once achieved, not only will Rävliiden have significantly less carbon emissions compared to a mine using conventional technology, it will also be part of setting a standard for new mines. In tandem with reducing carbon emissions, the electrification of mining also promises improved health and safety for the industry's workforce. By deploying this system, the collaboration partners aim to prove that the underground working environment can be significantly improved, with less emissions, noise, and vibration throughout while reducing the total cost per ton.

Each partner has provided a unique set of expertise to this development process, clearly demonstrating the value of industry collaboration. Epiroc has added dynamic charging to its proven battery-electric Minetruck MT42 SG and battery system, and the trolley system is equipped with ABB's DC converter, HES880 inverter and AMXE motors to enhance the power. The mine truck features a trolley pantograph connected to an overhead catenary line, a concept which is highly suitable for long haul ramps. The electric trolley line gives additional assistance to the battery-electric mine truck on the most demanding stretches up-ramp while fully loaded, enabling further reach and battery regeneration during drift, which increases productivity drastically for a mining operation. ABB created the infrastructure from grid to wheel, including the electric trolley system design and the rectifier substation for the test track. The definition of standards and vehicle interface was jointly developed by the project partners.

"Together, in close partnerships we can accelerate the transformation and reach a steep curve in mining technology innovation like we have done in Kristineberg," said Wayne Symes, President Epiroc Underground division. "In a short space of time, we have implemented and delivered technology to not only reduce CO2 emissions, but substantially extend travel distance for battery-electric driven vehicles on heavy ramp haulage, reduce operating costs, and improve the health and safety of mining environments."

[Link to the Epiroc Newsroom³](#)

Automation

Example 2. Acquisitions to increase automation

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

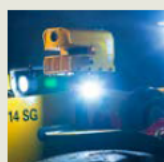
³ Boliden, Epiroc and ABB make first battery-electric trolley truck system for underground mining a reality | Epiroc

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.

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.

Illustration 1. Mixed-fleet automation

Epiroc's mixed-fleet automation



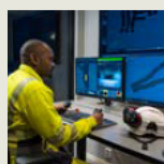
Autonomous load/haul

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).



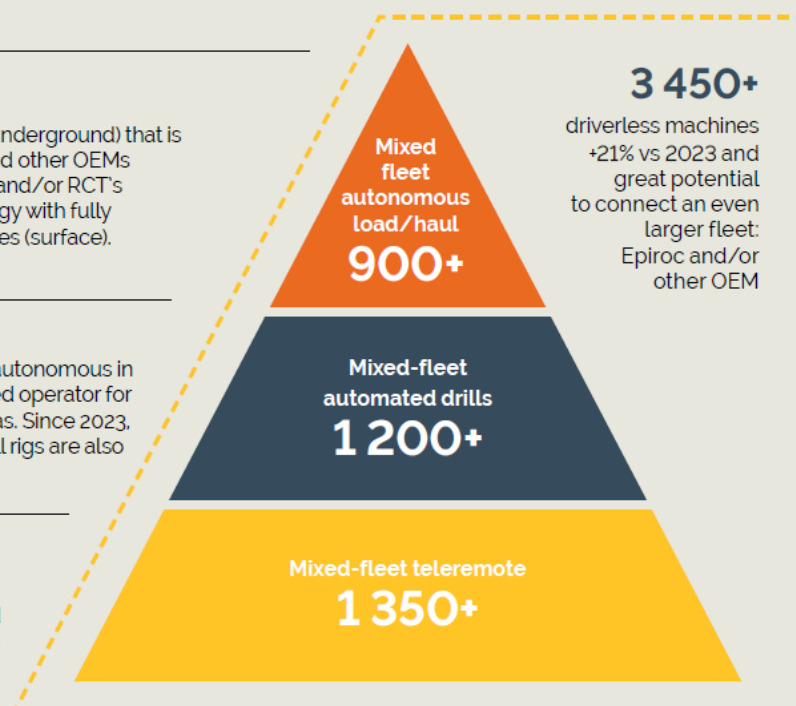
Autonomous drill rigs

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.



Auditor's limited assurance report on Epiroc's use of proceeds for the eligible projects

To Epiroc AB., corp id: 556041-2149

Introduction

We have been engaged by Epiroc AB ("Epiroc") to undertake a limited assurance engagement over how the allocation of proceeds from the issuance of the green bonds has been used to finance green expenditures and the related impact metrics included in Green Bond Framework, as presented in Epiroc's Green Bond Investor Report (the "Report").

The Report covers the allocation of proceeds from the SEK 2000 million 5-year green bond issued on September 14th, 2022 and from the SEK 1500 million 5-year green bond issues on May 8th, 2023, in accordance with Epiroc's Green Bond Framework. Epiroc has chosen to allocate the proceeds of the bond to three different categories of eligible projects; '*eco-efficient and/or circular economy adapted products, production technologies and processes*', '*energy efficiency*' and '*sustainable water and wastewater management*' (the "Subject Matter"). The reporting criteria against which this information was assessed are the relevant parts of Epiroc's Green Bond Framework, available on Epiroc's website, including the criterion to allocate the net proceeds from the green bond in whole or in part to new or existing projects that meet the Eligibility Criteria set forth in the Sustainable Financing Framework.

Our assurance does not extend to any other information in the Report. We have not reviewed and do not provide any assurance over any individual project information reported, including where applicable estimates of impact.

Responsibilities of the Board and Executive Management

The Board and Executive Management are responsible for the use and management of the proceeds, the preparation of the Report in accordance with the applicable criteria, as well as evaluating, selecting, and monitoring Eligible Projects. This responsibility also includes the internal controls relevant to the preparation of the 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 Report based on the limited assurance procedures we have performed. Thus, our responsibility is to comment on the information stated in the Report and the use of the issued amount according to the framework based on our limited review.

We conducted our limited assurance procedures in accordance with the *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 Report and applying analytical and other limited assurance procedures. A limited assurance engagement has a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on

Auditing and generally accepted auditing standards in Sweden. Consequently, the procedures performed 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. Accordingly, we do not express a reasonable assurance conclusion.

The audit 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 in relation to Epiroc AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements.

Our procedures are based on the criteria defined by the Board and Executive Management as described above. We consider these criteria suitable for the preparation of the Report.

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

Conclusion

Based on the limited assurance procedures performed on the information stated in Epiroc's Green Bond Investor Report 2024, nothing has come to our attention that causes us to believe that the allocation of proceeds related to eligible projects, in all material aspects, been prepared in accordance with the specified criteria.

Stockholm April 16, 2025
Ernst & Young AB

Erick Sandström
Authorized Public Accountant

Outi Alestalo
Specialist member in
FAR

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John Erik Sandström

Authorized Public Accountant

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