

The Atlas Copco Group

# Business Code of Practice



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*Atlas Copco AB and its subsidiaries are sometimes referred to as the Atlas Copco Group, the Group, or Atlas Copco. Atlas Copco AB is also sometimes referred to as Atlas Copco.*

## The Atlas Copco Group

# Business Code of Practice

Summarized in the Atlas Copco Business Code of Practice are the following internal policy documents, related to business ethics and social and environmental performance. All companies within the Group are expected to adhere to these policies, all published in *The Way We Do Things*.

The main international ethical guidelines supported by Atlas Copco are:

United Nations Universal Declaration of Human Rights [www.un.org](http://www.un.org)  
International Labour Organization Declaration on Fundamental Principles and Rights at Work [www.ilo.org](http://www.ilo.org)  
United Nations Global Compact [www.unglobalcompact.org](http://www.unglobalcompact.org)  
OECD's Guidelines for Multinational Enterprises [www.oecd.org](http://www.oecd.org)

Atlas Copco has a UN Global Compact membership since 2008.

Atlas Copco's Sustainability reporting follows the GRI—Global Reporting Initiative—guidelines [www.globalreporting.org](http://www.globalreporting.org)

# The Atlas Copco Group

Atlas Copco is a world leading provider of industrial productivity solutions. The products and services range from compressed air and gas equipment, generators, construction and mining equipment, industrial tools and assembly systems, to related aftermarket and rental. The Group's global reach spans more than 160 markets.

Our business activities are conducted through separate operating divisions that work globally. The Atlas Copco Group is united and aligned through a shared vision, and a common identity, and an adherence to this Atlas Copco Group Business Code of Practice.

A handwritten signature in black ink, appearing to read 'Ronnie Leten', enclosed within a large, irregular, hand-drawn loop.

Ronnie Leten, President and Chief Executive Officer  
Stockholm, Sweden, June 1, 2009



## First in Mind—First in Choice®

The Atlas Copco Group has as a vision to become and remain First in Mind—First in Choice® of its customers, potential customers, and of other key stakeholders. To us this means being a leader; we should lead in the share of mind and in the share of business; we should be seen as an innovator that sets the standard and exceeds high expectations.

## Core values

The Group's core values of interaction, commitment, and innovation formed our past, created our present, and will guide our future. Our core values represent a competitive advantage to the Group and help us to maintain our leadership position, even in a changing environment.

A significant attribute of Atlas Copco is the ability to listen to and understand the diverse needs of our customers and other stakeholders, coupled with our capacity to create new and better solutions based on what we learn from this interactive process.

Commitment means that we are totally engaged in finding the best solution we can possibly deliver. We are as fully committed to our people and to adding value to our customers' business as we are to our own targets and goals.

It is our belief that there is always a better way of doing things. That innovative spirit is a vital part of Atlas Copco's identity, a vital part of our way of conducting business. It is also the driving force that has made us a leader in our industry. Innovation is the ultimate driver for long-term profitability and growth.

Our core values—interaction, commitment, and innovation—are reflected in how we relate to our main stakeholders. In addition, all companies within the Group are expected to adhere to the policies related to business ethics and social and environmental performance.

# Relationships



## Society and the environment

We strive to be a good and reliable corporate citizen, observing the spirit as well as the letter of the laws of the countries in which we operate.

- We support fundamental human rights and respect those rights in conducting the Group's operations throughout the world.
- We recognize that our commitment to financial success must also take into account the broader economic, environmental, and social impact of our operations.
- We believe in conducting business in a manner that preserves the environment for future generations. We aim at having all our major units ISO 14001 certified. Atlas Copco aims to be an industry leader in environmental protection in the application areas served by our products and services. As a part of this, all products and processes shall be evaluated from an environmental perspective.
- Atlas Copco encourages learning and development through cooperation with local communities.

## Employees

We strive to be the preferred employer of both current and potential employees. Our aim is to attract, develop, and keep qualified and motivated people in a professional environment.

- We aim to offer a safe and healthy working environment in all our operations.
- We believe in equal opportunities, fairness, and diversity. We recruit and promote on the basis of qualifications for the work to be performed, regardless of race, religion, gender, age, nationality, disability, sexual orientation, union membership, and political opinion.
- We recognize that employees have the right to choose whether or not to be represented by trade unions for purposes of collective bargaining. No discrimination shall be directed against any employee exercising such rights.
- Under no circumstances will forced or compulsory labor be employed in our operations. We are strictly against child labor and other forms of exploitation of children. We do not employ anyone younger than 15 years old and adapt to local standards that specify a higher age.
- Each of us is expected to contribute to the Group, and our performance is rewarded in a fair way. Appraisals are made on an annual basis.
- Our employees are continuously offered training and development possibilities to safeguard their opportunity to grow with the Group. The goal is an average of 40 training hours per year for each employee.
- We encourage a flow of information across divisional, functional, and geographical borders to make full use of the available knowledge and experience.

## Customers

We strive to be the preferred supplier to current and potential customers and end-users, which means that we should achieve the highest possible customer and market share.

- We aim to deliver consistently high-quality products and services that contribute to our customers' productivity and prosperity.
- Our products and services are developed with the aim of meeting the quality, functionality, safety, and environmental needs of our customers.
- We operate worldwide with a long-term commitment to the customers in each country and market served, and we strive to develop close relationships with our customers in order to be able to continuously meet and exceed their expectations.

## Business partners

We strive to be the best associate for our business partners, such as suppliers, subcontractors, joint venture partners and agents, and to be the one that they prioritize.

- We seek business partners whose policies regarding ethical, social, and environmental issues are consistent with our own, and we make them aware of our commitments and expectations.
- Business partners are selected and evaluated impartially on the basis of objective factors including quality, delivery, price, and reliability, as well as commitment to environmental and social performance, and development.

## Shareholders

We strive to be the preferred company for shareholders to invest in, and we aim to create, and continually increase, shareholder value.

- We aim to provide a long-term investment return above the industry average, by delivering innovative and competitive solutions to our customers.

# Accountability

## Transparency

In all our communications, both written and spoken, we are committed to being open, truthful, and accurate within the limits of commercial confidentiality. We provide reliable and relevant information on our activities in a timely, regular manner. We consider interaction important and therefore have a positive attitude toward constructive dialogues with all of our stakeholders.

Atlas Copco has established high reporting standards, where each employee involved in the recording, processing, and reporting of information is expected to safeguard its validity and correctness.

Financial results are published in Annual and Quarterly Reports. Atlas Copco also reports on the three sustainability performance dimensions (economic, environmental, and social) in a yearly Sustainability Report.

Published material can be accessed through Atlas Copco's web site, [www.atlascopco.com](http://www.atlascopco.com), offering comprehensive additional information about our brands and operations.

## Business integrity

Wherever we operate, our reputation is a most valuable asset, and it is determined by how we act. We shall avoid any action that would jeopardize respect for the Group.

- We have high standards of business and personal ethics; we adhere to our internal policies, and obviously follow all applicable laws and regulations in the countries where we operate.
- We are committed to honesty in every situation and we refrain from having interests which conflict with the interests of the Group.
- We support and strive for fair competition, and thus refuse to enter into discussions or agreements with competitors concerning pricing, market sharing, or other similar activities.
- We refrain from giving or receiving anything of more than token value to or from any stakeholder, to avoid the risk of creating an unhealthy loyalty.
- We respect company assets and safeguard all tangible and intangible assets of the Group from loss, theft, and misuse.
- The Group does not take political stands. Therefore we do not use Group funds or assets to support political campaigns or candidates, or otherwise provide services to political endeavors.



## Governance

The Board of Directors is responsible for approving the overall Group strategy and organization. Except for one person, the President and CEO, the Board has only nonexecutive directors. The Board presently has two committees: the audit committee and the remuneration committee.

The President and CEO is responsible to the Board for the daily operations of the Group.

Group Executive Management is responsible for developing and following up on Group strategies, objectives, and policies, including financial, social, and environmental performance, under the leadership of the President and CEO.

## Implementation

This Business Code of Practice summarizes policies common to all companies in the Group. Our behavior is guided by these internal policies, helping us to increase the value of the Group.

These policies, along with other principles, guidelines, and instructions, are gathered in *The Way We Do Things*, an internal database accessible to all employees through Atlas Copco's intranet. It is the responsibility of each employee to be familiar with and adhere to, the content of *The Way We Do Things*. Appropriate training is provided through the Group's Circles program, which is mandatory for all new employees. We inform key stakeholders about our Business Code of Practice.

Based on the policies described in *The Way We Do Things*, operational units prepare strategies and implementation plans.

Follow-up procedures are established for each policy. Social and environmental performance indicators are reported and followed up on a Group level. Risk assessments in relation to our key stakeholders regarding legal, as well as social and environmental performance, are reported at board meetings.

To safeguard the implementation, internal audits are conducted on site in our companies.

## Information on Atlas Copco

For publications in electronic format and information on the Atlas Copco Group, go to: [www.atlascopco.com](http://www.atlascopco.com)

Annual Report  
Quarterly Reports  
Sustainability Report  
Achieve (a yearly company magazine)

## Contacts

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