

## Atlas Copco goals for sustainable, profitable development

Goal/target	Performance 2010	Analysis	Future action
<b>OPERATIONS</b>			
Develop new products and services with a life-cycle perspective. Production units shall be ISO 14001 certified and employees shall work in an environment with an environmental management system.	Out of the 84 product companies, distribution centers and application centers, 65 are ISO 14001 certified, representing 97% (95) of cost of sales.  78% (73) of Atlas Copco employees worked in an EMS verified environment.	Major production sites have a certified ISO 14001. For acquired manufacturing companies it takes 1–2 years before they have a certified ISO 14001. Smaller units implement an Atlas Copco verified environmental management system.	KPI(s) on life-cycle perspective will be established during 2011.
Decrease CO <sub>2</sub> emissions from operations by 20% in relation to cost of sales by 2020*.	CO <sub>2</sub> emissions from energy consumption at production sites were 113 000 tons (99 000), up 14% in absolute numbers but a decrease by 9% in relation to cost of sales.	CO <sub>2</sub> emissions increased less than production activities. The relative decrease is primarily due to the increased use of renewable energy in some major product companies.	The manufacturing companies will continue their focus to reduce CO <sub>2</sub> emissions from production, for example by switching to renewable energy sources, smarter manufacturing, etc.
Decrease CO <sub>2</sub> emissions from transport of goods by 20% in relation to cost of sales by 2020*.	The CO <sub>2</sub> emissions from transport were 197 000 (206 000) tons CO <sub>2</sub> and they decreased by 23% in relation to cost of sales.	Transports are purchased. The reduction is primarily explained by improved reporting from transport companies, but also by more efficient logistic processes at Atlas Copco companies.	There will be a continued focus on reducing the CO <sub>2</sub> emissions from transport of goods. The reporting guideline may be revised during 2011.
Keep water consumption at current level.	The water consumption was 524 000 (523 000) m <sup>3</sup> and it decreased by 20% in relation to cost of sales.	Water usage is to a great extent related to the non-production process, such as shower water for employees or watering of the lawn.	The water withdrawal is disclosed as a total figure and not by source, as water is normally purchased. Water consumption is a continued focus area.
Reuse or recycle waste.	The amount of waste was 35 000 (27 000) tons and in relation to cost of sales it increased by 1%. The proportion of reused or recycled waste was 76%.	As the main raw material going into the production process is steel, metal scrap is not surprisingly the most significant fraction of waste coming out of the process. Practically all of this scrap is reused or recycled.	The focus will be to increase the proportion of reused and recycled waste.
Construct Atlas Copco buildings according to sustainable building standards**.	No reporting in 2010.	N/a	The reporting will start during 2011.
No corruption or bribes. All employees shall be trained in the Business Code of Practice.	80% (80) of all employees are trained in the Business Code of Practice.	The training is conducted either through Circles program or classroom training for managers including dilemma discussions and should reach all employees.	Employees shall receive training in the Business Code of Practice. KPI(s) will be established in 2011.
Work with business partners committed to high ethical, environmental and social standards.	2 813 (2 883) significant suppliers, representing 19% of the total number of suppliers (14 968), were evaluated from an environmental perspective by Atlas Copco teams. Of these, 91% suppliers were approved.  The same figures related to social evaluations were 2 676 suppliers evaluated and 91% approved.	Supplier selection and evaluations are integrated in the core processes of purchasing and sourcing functions and are performed regularly.	Three focused areas in regards of supplier evaluations in social and environmental areas have been decided. They will be addressed during the coming year and regard the business partner's commitment to the ten-point checklist, the use of Atlas Copco lists of substances of concern and the implementation of a safety, health and environmental management system.

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Goal/target	Performance 2010	Analysis	Future action
<b>OPERATIONS</b>			
Zero work-related accidents. Safe and healthy working environment for all employees.	61% of all employees work in an OHSAS 18001 certified company. 9.3 (11.4) work-related accidents/ 1 000 000 hours worked. In absolute numbers there were 561 (652) accidents.	The improvement is partly explained by increased awareness through the implementation of OHSAS 18001 certification in Atlas Copco companies, and by achievements in the preventive work in product companies.	There are focused activities to continue reducing the number of work-related incidents and accidents through preventive measures such as OHSAS 18001 certification and training.
Competence development to all employees.	40 (34) hours competence development per employee.	The increase is primarily explained by business back as usual and many new employees recruited, who receive competence development when they begin at Atlas Copco.	Competence development is a continued focus area.
Yearly appraisals to all employees.	74% (67) of all employees received an annual personal performance appraisal.	The increase is partly explained by an increased focus on performing appraisals.	Employees will continue to receive an annual personal performance appraisal.
Sick leave below 2.5%.	2.1% (2.1%) sick leave.	The level of sick leave in Atlas Copco remains stable and at a healthy level.	The sick leave goal is a continued focus area.
Increase diversity in both gender and nationality.	<b>Of all employees:</b> Women 16% (17) / Men 84%. <i>Female managers:</i> 14% (14)/ Male 86%. <i>Female recent graduates recruited:</i> 32% (34) / Male 68%  <b>Proportion of employees by geographical spread:</b> North America 14%, South America 8%, Europe 46%, Africa/ Middle East 7% and Asia/ Australia 25%.	The decrease is explained by newly recruited employees in functions such as service and production that are by tradition male oriented.  Even though the absolute number of female recent graduates increased, the proportion decreased.	There will be a continued focus on diversity both in gender and nationality. New KPIs may be established during 2011.
Encourage internal mobility.	96% (91) of all managers were recruited internally.	The increase is explained by high internal recruitment, which is also encouraged.	Managers are encouraged to develop in the Group.
<b>PRODUCTS, SERVICES AND SOLUTIONS</b>			
Increase customer energy efficiency by 20% by 2020*.	No Group reporting in 2010.	N/a	KPIs will be established in 2011.
Offer safe and reliable products and services.	No Group reporting in 2010.	N/a	KPIs will be established in 2011.
Increase customer satisfaction year-on-year.	No Group reporting in 2010.	N/a	KPIs will be established in 2011.

\* Base year 2010

\*\* Leadership in Energy and Environmental Design (LEED) or comparable green building criteria