

Atlas Copco

MATERIALITY ASSESSMENT 2021 – LIST OF TOPICS & DEFINITIONS.

List of Topics

Focus Area: Ethics

1. Business ethics & integrity

Meeting the highest compliance and anti-corruption standards. Promoting integrity throughout Atlas Copco to fight corruption and fraud through education, training and processes to identify and manage risks in our own operations and downstream commercial relationships. Promoting the independent reporting of suspected misconduct and thorough investigation of those reports.

2. Human rights

Respecting and protecting human rights and mitigating these impacts throughout our value chain. This includes non-discrimination, as well as tracing impacts beyond our direct control to ensure that child labor and human trafficking do not occur within our sphere of influence.

3. Labor rights

Respecting and protecting labor rights and mitigating these impacts throughout our value chain. This includes ensuring decent wages, compliance with work hour regulations, and freedom of association.

4. Responsible value chain

Regularly assessing business partners on environmental, health, safety, labor, and ethical practices. Working with business partners with high sustainability performance.

5. Responsible tax policy

Good corporate practice in the area of tax management, balancing the interests of various stakeholders, including customers, shareholders as well as governments and communities, and meeting our tax commitments in the countries where we operate.

Focus Area: People

6. Inclusion and diversity

Establishing a workplace where all employees are treated fairly and with dignity, without discrimination in opportunities or pay and benefits. Ensuring that the company workforce reflects the diversity of the society in which we operate, and that the company maintains a culture of respect, including raising awareness of and preventing harassment.

7. Community engagement

2 | Atlas Copco Materiality Assessment 2021 – List of Topics & Definitions

Supporting NGOs and charitable organizations for underserved communities.

8. Occupational health, safety and well-being

Upholding best practices in health, safety and well-being to positively affect the well-being of our employees.

9. Talent development and retention

Promoting lifelong learning to stimulate the professional and personal development of our people. Ensuring a two-way dialogue and continuous and constructive feedback with the aim of enabling the full potential of our people.

10. Gender balance in leadership positions

Striving for gender balance and increased female representation in leadership positions.

11. Gender pay equity

Ensuring equal pay for equal work.

12. Data protection and privacy

Protecting personal data and respecting the right to privacy. Collecting, using and processing personal and customer data proportionally, responsibly and lawfully. Designing products and services to have appropriate safeguards to protect personal data against unauthorized use or disclosure.

Focus Area: Products and Services

13. Multi-stakeholder collaboration

Fostering long-term partnerships with academia, NGOs, start-ups, social entrepreneurs and industry peers, to act on sustainability challenges.

14. Product quality and service

Ensuring all products and services meet customer expectations on safety, quality and ergonomics and comply with relevant safety regulations.

15. Life-cycle approach to product development

Creating industry-leading products and services that meet and exceed our customers' expectations and needs, by applying a life-cycle approach to use more sustainable materials and improve recyclability, performance and efficiency.

16. Product carbon impact

Helping customers increase their energy efficiency and reduce their carbon emissions.

Focus Area: The environment

17. Climate impact along the value chain

Actively promoting and achieving CO2 reductions beyond our direct control, including sustainable logistics and transport.

18. Energy use and efficiency

Optimizing total energy consumption, shifting to renewable energy and increasing efficiency within our own operations.

19. Circular business models

Applying a life-cycle approach to developing business models, optimizing opportunities to replace, reduce, reuse, repurpose and recycle materials and products.

20. Material traceability and sourcing

Ensuring responsible sourcing of materials and components.

21. Water use

Sustainable management of water resources within direct operations and in the supply chain.

22. Natural environments and ecosystems

Ensuring that our products and ways of working protect and do not negatively impact nature or contribute to loss of species.