





## Introduction

As a global, industrial company based in Stockholm, Sweden, the Atlas Copco Group has more than 43 000 employees and customers in more than 180 countries. Our industrial ideas empower our customers to grow and drive society forward. This is how we create a better tomorrow. We are pioneers and technology drivers, and industries all over the world rely on our expertise. Our market-leading compressors, vacuum solutions, generators, pumps, power tools and assembly systems can be found everywhere.

The vision of the Group is to be the first choice of our customers, suppliers, other business partners, and other stakeholders. The Atlas Copco Group intends to achieve this through adherence to our core values, by being ethical in our business practices and working with business partners who share similar values and standards.

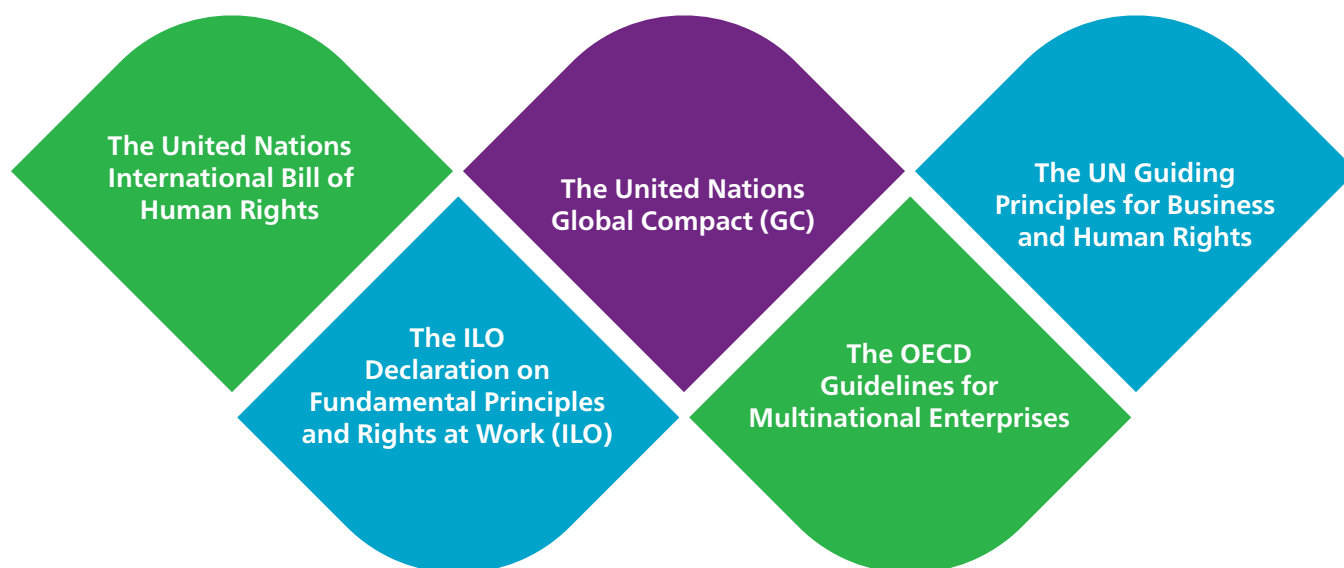


### The Atlas Copco Group Code of Conduct<sup>1</sup> states:

- At Atlas Copco, we are committed to upholding high standards of ethics in all our business interactions, which means that we require the same of our business partners. We encourage our business partners to report perceived violations to the Code of Conduct.
- All business partners are expected to adhere to Atlas Copco's values and to follow the Code of Conduct. We screen and audit our business partners to ensure we have partners who share our high standards regarding quality, business ethics, the environment, human rights and resource efficiency.

This document supports Atlas Copco's implementation of its standards and policies as regards business ethics and social, safety, health and environmental performance, by providing brief explanations of the Group's basic expectations of our business partners.

The criteria below are based on the Atlas Copco Group Code of Conduct, which is based on the following international guidelines supported by the Group:



## General requirements

Business partners such as suppliers, subcontractors, joint venture partners, agents, resellers and distributors must agree to uphold the Group's commitments and expectations in accordance with our Code of Conduct. If business partners use subcontractors for the production of Atlas Copco Group products or services, it is the responsibility of that business partner to use the same principles to evaluate and select their subcontractors. If requested, the business partner must inform Atlas Copco which subcontractors they use.

Business partners must, in all their activities, follow the national laws and regulations applicable to their operations and employment in the countries in which they operate. Atlas Copco requirements may go beyond the requirements set out in national law, in which case the business partner must comply with the additional Atlas Copco requirements. In such cases the business partner must notify Atlas Copco of the conflict before signing this document.

We expect our business partners to report any suspected misconduct or deviations from our Code of Conduct. We have an external reporting system, SpeakUp, which is available to any stakeholder and offers complete anonymity. Reports can be made in almost any language. Learn more about SpeakUp on our website.

<https://www.atlascopcogroup.com/en/sustainability/living-by-the-highest-ethical-standards/code-of-conduct>



# Business Partner Criteria



## 1. No modern slavery or forced labor

Forced or involuntary labor, modern slavery, is not tolerated in any form. This includes requiring someone to work under the threat of penalty. It also prohibits business partners from requiring employees to deposit money or original documents such as passports, education certificates and the like during their employment.



## 2. No child labor

Atlas Copco prohibits the use of child labor. Business partners must take necessary preventive measures to ensure that they do not employ anyone below the legal age of employment. This means that unless local law stipulates a higher age limit, no person younger than the age for completing compulsory education or younger than 15 (or age 14 where permitted by ILO convention No. 138) may be employed. For authorized minors, management is responsible for providing the working conditions, hours of work and wage appropriate for his or her age in compliance with applicable local law as a minimum. The minimum age for hazardous work is 18 years.



## 3. No corruption

Business partners must work against all forms of corruption, including extortion and bribery. There can be no use of fake documents or other illegal practices or use of undeclared production units or suppliers. Business partners must allow Atlas Copco to perform an audit when requested in writing and with advance notice. Business partners must confirm their commitment to fair competition and agree not to enter into discussions or agreements with competitors concerning pricing, market sharing or other similar activities.



## 4. Supporting and respecting human rights

Business partners must support and respect the protection of human rights. They must confirm that they are not complicit in human rights abuses and comply with the main international ethical guidelines supported by the Atlas Copco Group.



## 5. Eliminating discrimination

Business partners must support equal opportunities, fairness and diversity and ensure that all employees are treated according to their abilities and qualifications in any employment decisions, regardless of age, disability, ethnicity, gender, gender identity, nationality, political opinion, religion and sexual orientation.



## 6. Ensuring a safe and healthy working environment

Business partners are required to make employees' safety a priority at all times. Work premises and factory conditions have to be such that workers can perform their functions in a safe and healthy environment, including fire prevention. To minimize risks, there must be appropriate policies to safeguard employee health and safety, training and clear role descriptions. Facilities for employees must safeguard individuals' dignity and meet personal hygiene needs. Business partners must take appropriate action to ensure safety and prevent accidents and illnesses resulting from workplace conditions, on behalf of their employees. This includes availability of first aid and personal protection equipment, as well as correct and (where applicable) certified tools.

We expect our business partners to follow international regulations, national legislation and local guidelines for working time and wages.



## 7. Freedom of association and the right to collective bargaining

Business partners must confirm that their workers are free to communicate openly with management to resolve workplace and compensation issues. Employees have the right to choose whether or not to be represented by trade unions for the purpose of collective bargaining. Atlas Copco does not tolerate discrimination against any employee exercising such rights.



## 8. Taking environmental responsibility and climate action

Business partners should have an approved Environmental Management System or demonstrate a commitment to continuous improvement of their environmental performance. This includes striving to minimize the environmental impact from production, digitalization, product use, transportation and disposal of waste.

All our business partners should demonstrate action to address the climate challenge.

Preserving the environment and promoting environmentally friendly technologies  
Business partners must conduct their business in a manner that protects and preserves the environment, giving attention to water use and wastewater treatment, for example. When developing products and services, business partners must address and minimize the negative environmental effects that the products and services may have when being manufactured, distributed and used, as well as during their disposal. Business partners must confirm their commitment to the development and promotion of environmentally friendly technologies in products, processes and design.



## 9. Complying with Atlas Copco prohibited and declarable<sup>3</sup> lists

Atlas Copco's Prohibited list identifies substances not to be used in parts, products or raw materials delivered to Atlas Copco or in production processes. The Declarable list contains substances whose use shall be limited, and content of any listed substance in items delivered to Atlas Copco must be declared. Conflict minerals are also included in the Declarable list, see criteria 4 for clarification. Business partners must confirm their compliance with these lists, follow updates of the lists and alert Atlas Copco if any included substance is a problem.

If requested by Atlas Copco, business partners who provide parts, products or raw materials that contain one or more 'conflict minerals'<sup>2</sup> and source from conflict-affected and high-risk countries must be willing to cooperate to conduct due diligence following the OECD Due Diligence Guidelines.

<sup>2</sup>Conflict minerals are columbite-tantalite (coltan), cassiterite, gold, wolframite or their derivatives (tin, tungsten and tantalum according to the US Securities and Exchange Commission definition)

<sup>3</sup>Prohibited and Declarable lists are available on the Atlas Copco Group website:  
<http://www.atlascopcogroup.com/en/sustainability/living-by-the-highest-ethical-standards/ethical-supply-chain>

## Compliance and follow-up

Atlas Copco expects our business partners to share our social, business ethics and environmental standards and commitments. This commitment can be demonstrated by the business partner having a comparable code of conduct or by signing this document.

Business partners who are proactive in implementing or have met these criteria are considered for preferred partnerships. We review our business relations and may discontinue relationships with business partners who are unwilling to make changes to align with our standards and criteria.

Atlas Copco Group companies expect our business partners to maintain adequate documentation to demonstrate their compliance with the above-mentioned criteria or demonstrate the intention and willingness to comply with the criteria, by establishing an action plan. If violations are detected business partners may sign their commitment to this document if they are in the process of meeting these requirements and are willing to set up an action plan with Atlas Copco.

As a condition of doing business with the Atlas Copco Group, business partners and their subcontractors must authorize Atlas Copco and its designated agents (including third parties) to perform audits. Onsite audits will always be arranged in advance, with the business partner's cooperation.

(Name of business partner)

has read and understood this document based on the Atlas Copco Code of Conduct and is committed to fully complying with all criteria and requirements in this document.

Name..... Position/Job title.....

Date and place..... Signature.....

## Additional references

Atlas Copco commits to these main international ethical guidelines:  
United Nations International Bill 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)

UN Guiding Principles for Business and Human Rights [www.ohchr.org](http://www.ohchr.org)

Atlas Copco has been a member of the UN Global Compact since 2008.

Atlas Copco's sustainability reporting follows the Global Reporting Initiative (GRI) guidelines [www.globalreporting.org](http://www.globalreporting.org), the sustainability requirements of the Swedish Annual Accounts Act and applicable sustainability requirements of the European Union.





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