Annual Report 2024

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Atlas Copco Group



Atlas Copco Group

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In Atlas Copco Group, we enable our customers to grow and drive society forward.

We develop technology that transforms the future, and our innovative products, solutions and services are a key part of most industries. Electronics, medical research, renewable energy, food production, and infrastructure are just a few examples.

This annual report reflects the Group's mission of creating sustainable, profitable growth. It integrates financial, sustainability, and governance information to describe Atlas Copco Group in a comprehensive and cohesive manner.

Statutory sustainability report and external review

Atlas Copco Group reports on its sustainability work for 2024 in accordance with GRI Standards, which together with the EU Taxonomy regulation disclosures, on pages 54–59, constitutes the Group's statutory sustainability report. Ernst & Young have expressed their opinion that a statutory sustainability report has been prepared according to the Swedish Annual Accounts Act, and they have performed a limited review of the sustainability report according to GRI, see page 81. More information can be found at: www.atlascopcogroup.com.

Notice

The amounts in the report are presented in MSEK unless otherwise indicated and numbers in parentheses represent comparative figures for the preceding year. The figures presented in this report refer to continuing operations unless otherwise stated.

Atlas Copco AB is a public company. Atlas Copco AB and its subsidiaries are often referred to as Atlas Copco Group, the Group or the company. Any mentioning of the Board of Directors or the Board refers to the Board of Directors of Atlas Copco AB.

In the Group, there are many strong brands driving the success of our business. When describing the Group, and not specific brands or entities, we refer to Atlas Copco Group.

Forward-looking statements

Some statements in this report are forward-looking, and the actual outcomes could be materially different. In addition to the factors explicitly discussed, others could have a material effect on the actual outcomes. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political and geopolitical developments, the impact and pricing of competing products, product development, commercialization and technological difficulties, supply-chain interruptions, and major customer credit losses.

● The annual report for the Group and the parent company can be found on pages 5–80, 82–87 and 90–159, excluding the quarterly data on page 117. The corporate governance report examined by the auditors can be found on pages 90–99.

● Sustainability information that has been reviewed by the auditors can be found on pages 5-11, 32–53, and 60–80. This information, together with the EU Taxonomy disclosures on pages 54–59, constitutes the Group's statutory sustainability report.

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Atlas Copco Group 2024
Solid orders, record revenues, and stable profitability

Revenues:
MSEK 176 771
+2%

Operating margin:
21.6% (21.5)

Return on capital employed:
28% (30)

Operating cash flow:
MSEK 30 981
(23 192)

Key financial data

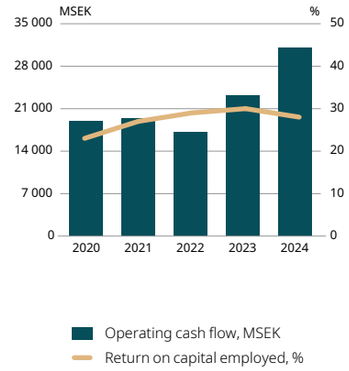
MSEK	2024	2023	2022	2021	2020
Orders received	171 115	170 627	158 092	129 545	100 554
Revenues	176 771	172 664	141 325	110 912	99 787
EBITDA	46 951	44 852	36 549	29 025	24 335
– in % of revenues	26.6	26.0	25.9	26.2	24.4
EBITA [1]	40 489	39 242	31 956	25 015	20 474
– in % of revenues	22.9	22.7	22.6	22.6	20.5
Operating profit	38 166	37 091	30 216	23 559	19 146
– in % of revenues	21.6	21.5	21.4	21.2	19.2
Adjusted operating profit	38 741	38 217	30 065	24 246	19 998
– in % of revenues	21.9	22.1	21.3	21.9	20.0
Profit before tax	37 800	36 442	30 044	23 410	18 825
– in % of revenues	21.4	21.1	21.3	21.1	18.9
Profit for the year	29 794	28 052	23 482	18 134	14 783
Basic earnings per share, SEK	6.11	5.76	4.82	3.72 [2]	3.04 [2]
Diluted earnings per share, SEK	6.10	5.75	4.81	3.71 [2]	3.04 [2]

[1] Operating profit excluding amortization of intangibles related to acquisitions.
[2] Adjusted for share split.

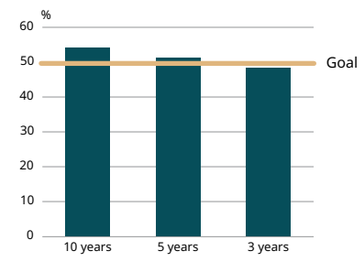
Orders received, revenues and operating margin



Operating cash flow and return on capital employed



Dividend/earnings per share, average [3]
including discontinued operations



Dividend policy history

–2003	30–40% of earnings
2003–2011	40–50% of earnings
2011–	about 50% of earnings

[3] Dividend for the fiscal year 2024 is based on the proposal from the Board of Directors.

Atlas Copco Group

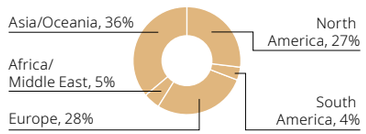
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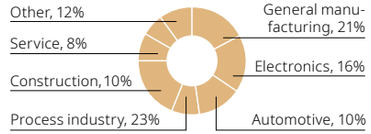
A decentralized group with four business areas

Atlas Copco Group enables technology that transforms the future. We innovate to develop products, services, and solutions that are key to our customers' success. Our four business areas offer compressed air and gas solutions, vacuum solutions, energy solutions, dewatering and industrial pumps, industrial power tools, and assembly and machine vision solutions. In 2024, the Group had revenues of BSEK 177, and about 55 000 employees at year end.

Revenues by region, Group



Orders received by customer category, Group



Share of revenues, Group



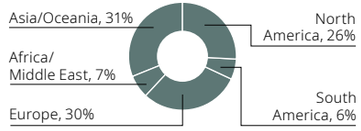
Compressor Technique

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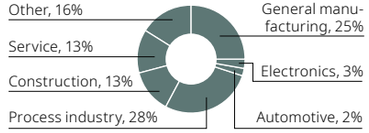
Orders received: MSEK 79 976
Revenues: MSEK 78 259
Operating margin: 25.2%

The Compressor Technique business area provides compressed air and gas solutions such as industrial compressors, gas and process compressors and expanders, air and gas treatment equipment, air management systems, and service through a global network.

Revenues by region



Orders received by customer category



Share of revenues



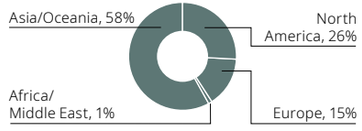
Vacuum Technique

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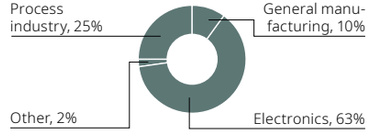
Orders received: MSEK 36 629
Revenues: MSEK 40 441
Operating margin: 21.1%

The Vacuum Technique business area provides vacuum products, exhaust management systems, valves and related products, and service through a global network.

Revenues by region



Orders received by customer category



Share of revenues



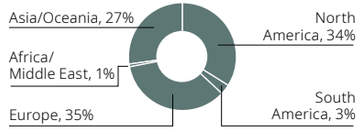
Industrial Technique

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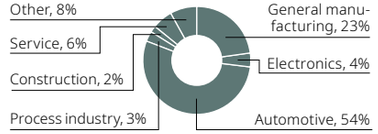
Orders received: MSEK 27 656
Revenues: MSEK 29 522
Operating margin: 20.5%

The Industrial Technique business area provides industrial power tools, assembly and machine vision solutions, quality assurance products, and service through a global network.

Revenues by region



Orders received by customer category



Share of revenues



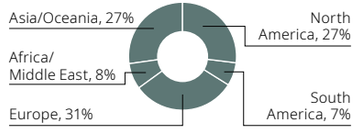
Power Technique

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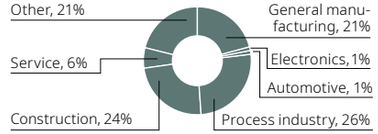
Orders received: MSEK 27 866
Revenues: MSEK 29 622
Operating margin: 18.5%

The Power Technique business area provides portable air and power, industrial and portable flow solutions through products such as mobile compressors, generators, energy storage systems, dewatering and industrial pumps, along with a number of complementary products. It also offers specialty rental and provides service through a global network.

Revenues by region



Orders received by customer category



Share of revenues



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Technology leadership and innovation

We can look back on a year where our ability to adapt quickly to new business conditions, our focus on maintaining stability, and our drive to fostering innovation led to solid orders, record revenues, and stable profitability. Our approach to building trust and creating long-term relationships with stakeholders enables the development of transformative technologies and our success over time.



What is technology leadership? Atlas Copco Group is known for developing innovative products and solutions, and we like to say that we make things that make society function smoothly. But true innovation is not just based on technical expertise and looking ahead. You must also be open minded and ready to connect with your stakeholders on a deeper level to capture challenges and needs that are less obvious. This kind of relationship can only be built on trust and long-term commitment, and on a genuine interest in mutual growth. Then, and only then, the opportunities to develop technologies that truly hold the power of transforming the future arise.

This level of innovation also requires a rare combination of long-term stability and constant change. Atlas Copco Group is set up to harvest more than 150 years of collected knowledge and to quickly adapt to new business conditions. Our profitable service business and asset-light operations, as well as the speed that comes from a highly decentralized organization, allow us to capture opportunities at an early stage. This helps us remain successful over time and enables us to continuously invest in innovation that drives technology forward.

Having a global and diversified business brings a lot of advantages. Our global presence and broad application knowledge make us robust and able to tackle segmental downturns. We nurture close partnerships and our service solutions, which in 2024 represented 37% of revenues, provide unique insights that can be leveraged to create new innovations and new value for our customers, society, and ourselves.

When needed, we acquire expertise that challenge us and keep us at the forefront of technology. Acquisitions are an important part of our strategy and complement our investments in organic growth. Last year, we set a record with 33 completed acquisitions.

However, growth is rarely linear and 2024 was in some ways more challenging than the year before. After a very strong start, the market conditions became increasingly unpredictable towards the end of the year and were characterized by a level of hesitancy.

Despite this the overall demand for Atlas Copco Group's equipment and services remained stable. In total, the Group's order intake reached MSEK 171 115 (170 627). Revenues reached a record level at MSEK 176 771 (172 664). The operating profit also reached a record of MSEK 38 166 (37 091), corresponding to a margin of 21.6% (21.5).

Updated targets to match future ambitions

Being a technology leader also entails responsibilities. In our case, an integrated strategy, backed by ambitious targets and long-term commitments, helps us deliver value in a way that is economically, environmentally and socially responsible.

By regularly reviewing our non-financial targets we make sure that they reflect our most material topics and that we meet stakeholder expectations. Our operational entities and divisions are responsible for incorporating the updated targets into their plans and following up on results and progress.

The target updates announced in 2024 and valid from 2025 demonstrate our continuous commitment to focus on climate, circularity and gender balance. A new target has been added related to trade compliance and fair competition training as we see a need to raise further awareness in these areas. We are also adding a target to have 25% women in leadership positions by 2030 in addition to our current target of having 30% women employees the same year, as well as a commitment to developing a climate transition plan by the end of 2026, and to set long-term climate targets beyond 2030.

To strengthen our due diligence, we have also added a target focusing on creating supplier engagement around environmental, social and governance assessment and action.

Innovation is our biggest change-driver

To reach our ambition of growing in the right way, continuous improvement is a top priority in all parts of the organization. I want to reinforce our commitment to continued investments in developing transformational technology, services, and solutions. In 2024, we spent 4% of our revenues, or MSEK 7 065, on R&D, and today over 5 000 of our more than 55 000 employees are R&D engineers. Product innovation is an important part of staying ahead of competition. But just as important is excelling in operational efficiency and

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Technology leadership and innovation, continued

our ability to be innovative in areas such as marketing and sales, logistics and manufacturing. We will continue to future proof our business also in these areas.

This year we have seen a rapid evolvement of AI that will pose a wave of transformation and change the way we work going forward. There are great opportunities to gain speed, efficiency and increase customer value. We are today leveraging AI across various domains, including R&D, finance, customer interaction, and order management, to mention a few.

Innovation and continuous improvement are top priorities in all parts of our organization and deeply embedded into our culture. This puts us in a strong position to leverage business opportunities linked to both regulatory requirements and customer demands. A main focus area is to drive the development of new and more efficient technologies to limit climate change.

In 2021, we set science-based targets to reduce greenhouse gas emissions throughout our entire value chain by 2030, in line with the Paris Agreement. Since then, we have embarked on a journey to further reduce our own carbon emissions as well as our customers'.

We continue to see a significant reduction in emissions from our own operations. However, our increase in sales since the base year and a limited access to renewable energy on main customer markets pose a big challenge in terms of reaching our targets for the use phase of our products (scope 3).

Our biggest contribution to a low-carbon society is, however, linked to the innovations we put on the market. We see that our efforts to develop technologies and products that are more energy efficient than the previous generation, as well as our increasing focus on optimization and circularity, are giving results.

Apart from energy efficiency we enable solutions that can abate, capture, utilize and store greenhouse gases. This is an emerging market where our compressor, vacuum and industrial pump expertise can have a direct positive impact. To track our positive contribution, we are exploring how to account for avoided emissions that are a direct result of using our products, technologies and service.

Water for All 40 years

Last year marked the Group's 150-year anniversary. This year, another milestone was reached. Our employee community engagement, Water for All, turned 40 years. In August 1984, two colleagues at our office in Sickla, Sweden, found themselves deeply affected by the suffering inflicted on a population of people living high up in the Andes mountains, due to lack of water. Since then, Water for All has spread across the globe, always at the initiative of volunteering employees willing to establish and run the organization in their respective country. The Group adds double the sum raised by employees and together we have contributed to millions of people gaining access to clean water and sanitation. I am a proud supporter of Water for All and believe that the engagement of our employees reflects our core values of innovation, interaction and commitment, as well as our dedication to empowering people.

Continuous learning and growth

This year, I took up the role as CEO of this fantastic company after a long career within the Group. I first joined in 1996 as a trainee engineer in my native country Brazil and have since then worked in different countries and different roles, always gathering insights and inspiration from the people I have met along the way. Although every journey is unique, I am far from alone when it comes to jumping on opportunities and taking on new challenges. This company is filled with curious people who go out of their way, every day, to support our customers and to drive technology forward. Let's see where this drive and dedication will take us in the coming years.

Vagner Rego
President and CEO of Atlas Copco Group

For the full list of acquisitions, please see page 110.



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This is Atlas Copco Group – technology that transforms the future

Strategy and fundamentals for growth



Our vision is to become and remain First in Mind—First in Choice of our customers and other stakeholders. Our mission is to achieve sustainable, profitable growth. This means that we should continuously deliver profitable growth with an increased positive impact on society and the environment, while promoting diversity and inclusion. It also means that we include the perspectives of different stakeholders, like customers and society, when we create value.

Atlas Copco Group identifies profitable niches and operates in selected market segments. We create lasting growth by leveraging our global market presence and diverse customer base. We increase our market presence through innovation and by expanding into segments and technologies close to our core. Depending on the customer, products, and market, we sell our products directly or indirectly. We have a portfolio with several strong brands, each with a unique value proposition and an aim for a leading position.

To secure a leading market position, we invest in research and development. Through leading technologies, we aim to develop new products and solutions that are critical to our customers' operations, improve their productivity, and support their success. Energy efficiency, connectivity, and data-driven insights are often key to creating tangible customer values.

To ensure profitable growth over a business cycle, the Group focuses on service and aims to have an asset-light balance sheet and a flexible cost base.

In our resilient service business, we seek to perform more service on a higher share of the installed base of equipment and extend our service offering by giving customers new insights supported by connected products.

In order to create the right conditions for speed and agility, we use a decentralized model with clear accountability, an outsourced production model, a flexible workforce, continuous scenario planning, and a transparent organization with comprehensive financial follow-up.

We believe in keeping close to our customers and have production units in Europe, Asia, and the Americas. We continuously strive for improved operational efficiency with a responsible use of resources. This includes constantly improving production processes and developing top-quality and highly efficient products and services for our customers.

To ensure Atlas Copco Group's strategic direction and execution, we rely on highly competent people who are passionate about their jobs and committed to delivering customer value. We focus on attracting people with the right mindset and skills, and enable them to grow with freedom and accountability. This is crucial to our success.

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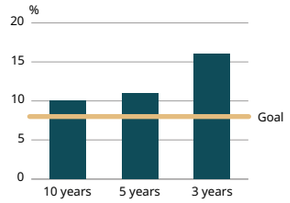
Our targets

Atlas Copco Group sets ambitious targets to deliver sustainable, profitable growth. The targets have different time horizons: annual, three-year, over a business cycle, and by 2030 for the more long-term ambitions. Sustainability is a central part of the Group's mission and strategic direction. An integrated strategy, backed by ambitious targets, helps us deliver greater value to all stakeholders in a way that is economically, environmentally and socially responsible.

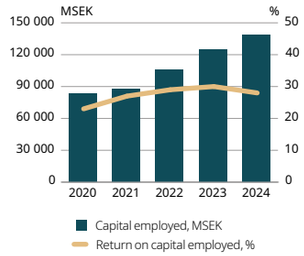
Financial

Revenue growth measured over a business cycle	**Target: 8% per annum**
Sustained high return on capital employed by constantly striving for operational excellence and generating growth	
Earnings as dividends to shareholders	**Target: about 50%**

Annual revenue growth rate, average [1]

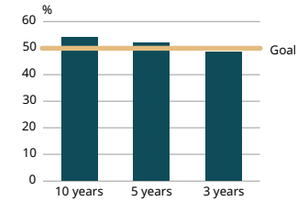


Capital employed and return [1]



[1] Figures for the years between 2015 and 2017 are best estimated numbers, as the effects of the distribution of Epiroc and restatements for IFRS 15 are not fully reconciled.

Dividend/earnings per share, average [2]
including discontinued operations



Dividend policy history

–2003	30–40% of earnings
2003–2011	40–50% of earnings
2011–	about 50% of earnings

[2] Dividend for the fiscal year 2024 is based on the proposal from the Board of Directors.

Environment	**2024**	**2023**	**2022**	**Target**
Reduction in line with the 1.5 degree warming trajectory in CO_2e [1] emissions (tonnes) from scopes 1 and 2, compared to the baseline 2019	–40%	–37% [2]	–32% [2]	–46% by 2030
Reduction in line with the well-below 2 degrees warming trajectory in CO_2e [1] emissions (tonnes) from scope 3, compared to the baseline 2019	+15%	+27% [2]	+19% [2]	–28% by 2030
Significant direct suppliers with an approved environmental management system	31%	31%	31%	Continuous increase
Water consumption (m^3) in relation to cost of sales	7.4	7.5	8.4	Continuous decrease
Reused, recycled or recovered waste from internal operations	91%	91%	92%	100% by 2030
Projects for new and redesigned products with targets for reduced carbon impact	96%	95%	97%	100%
Group-common methodology for assessing the circularity of new or redesigned products	In place	–	–	In place by 2024

Employees				
Female employees, at year end	22.4%	22.0%	21.6%	30% by 2030
Employees agree that they feel a sense of belonging at the company [3,4]	–	77	–	Above the global benchmark (73, 76 and 72) and a continuous increase
Employees agree we have a work culture of respect, fairness and openness [3]	–	76	–	
Employees agree there is opportunity to learn and grow in the company [3]	–	75	–	
Employees agree that the company takes a genuine interest in their well-being [3]	–	74	–	Continuous increase
Balanced safety pyramid = more reports of risk observations than near misses, more reports of near misses than minor injuries, and more or equal reports of minor injuries relative to recordable injuries	Yes	Yes	Yes	A balanced safety pyramid

Business conduct				
Employees sign the Group's Code of Conduct compliance statement annually	99%	99%	99%	100%
New employees participate in the Group's ethics training within 12 months of joining the company, starting 2023 [4]	95%	94%	–	100%
Employees participate in the Group's biennial ethics training, starting 2023 [4]	–	99%	–	100%
Significant suppliers confirm compliance with the Group's Code of Conduct	91%	90%	93%	100%
Significant distributors confirm compliance with the Group's Code of Conduct	94%	94%	92%	100%

[1] CO_2e stands for carbon dioxide equivalent.
[2] Emissions are restated. See page 53 for details.
[3] Measured every two years through the employee survey. Scores based on scale 0–100 where 0 is "strongly disagree" and 100 is "strongly agree".
[4] First measurement done in 2023.

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Our targets valid from 2025 – updated non-financial targets

Financial	
Revenue growth measured over a business cycle	**Target: 8% per annum**
Sustained high return on capital employed by constantly striving for operational excellence and generating growth	
Earnings as dividends to shareholders	**Target: about 50%**

In 2024, we introduced new and reformulated non-financial targets for the years 2025–2027, demonstrating the Group's continuous commitment to focus on climate, circularity, and gender balance. We also introduced a target related to trade compliance and fair competition training.

We regularly review our non-financial targets to make sure that our priorities are aligned with our most material topics, thereby meeting stakeholder expectations and improving performance.

The revision of the targets is based on the insights we gained from the double materiality assessment that was initiated in 2023. As a consequence, some of our previous non-financial targets have been reformulated or discontinued. The long term non-financial targets for 2030 remain unchanged.

In addition to our increased ambitions, the updated targets reflect business opportunities that we can leverage as we continue our work to transform the future and further develop our performance for the benefit of our customers, shareholders and other stakeholders.

The table to the right indicates which targets are new as of 2025.

● New target
○ Continued target

Environment	Target	Target year
○ Reduce CO_2e emissions (tonnes) from scopes 1 and 2, compared to the base year 2019*	–46%	2030
○ Reduce CO_2e emissions (tonnes) from scope 3, compared to the base year 2019*	–28%	2030
● Develop a climate transition plan and set long-term climate targets beyond 2030 for scope 1, 2 and 3	In place by end of 2026	2026
○ Projects for new and redesigned products with targets for reduced carbon impact	100%	Annually
● Projects for new and redesigned products with applied circularity principles according to internal guidelines	100%	2027
○ Reuse, recycle or recover waste from internal operations	100%	2030
○ Increase share of significant direct suppliers with an approved environmental management system	Continuous increase	Annually

* The targets were approved by the Science Based Targets initiative (SBTi) in 2021. The target for scopes 1 and 2 are in line with the 1.5 degree warming trajectory, and the target for scope 3 is in line with the well below 2 degree warming trajectory.

Social		
○ Increase share of women employees*	30%	2030
● Increase share of women in leadership positions*	25%	2030
○ Employees agree that they feel a sense of belonging in the company	Above the global benchmark and a continuous increase	Bi-annually
○ Employees agree we have a work culture of respect, fairness and openness		Bi-annually
○ Employees agree there is opportunity to learn and grow in the company		Bi-annually
○ Employees agree that the company takes a genuine interest in their well-being	Continuous increase	Bi-annually
● Decrease number of recordable injuries per million working hours	Continuous decrease	Annually
● Enable the continued successful implementation of our employee-driven community engagement initiative Water for All and continue to double-match employee donations	Not applicable	Continuously

* The target is measured at year end in FTE.

Governance		
○ Employees have signed the Group's Code of Conduct compliance statement	100%	Annually
○ Employees have participated in the Group's Code of Conduct classroom training	100%	Bi-annually
● Employees in selected target groups have participated in training in trade compliance and fair-competition	100%	Alternating years
○ Significant suppliers have confirmed compliance with the Group's Code of Conduct by signing our Business partner criteria	100%	Annually
○ Significant distributors have confirmed compliance with the Group's Code of Conduct by signing our Business partner criteria	100%	Annually
● Significant direct material suppliers engaged in assessment on environmental, social and governance aspects	Target (%) to be defined	2027

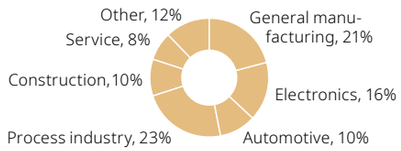
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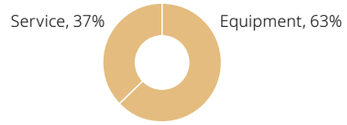
This is how we do business

Atlas Copco Group is characterized by focused businesses in selected market segments, high customer focus through a decentralized organization, global presence, a stable service business, professional people, and an asset-light and flexible manufacturing setup. By providing professional service, technical competence, application knowledge, and digital capabilities, the Group builds close customer relationships through direct and indirect channels.

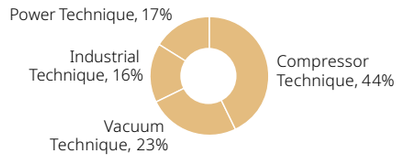
Orders received by customer category



Share of revenues



Share of revenues by business area



Sales and service

Atlas Copco Group's ambition is to build close relationships with customers and enable them to increase their productivity and quality in a sustainable way. Customer engagement, sales, and service take place through direct and indirect channels (mainly distributors), online as well as offline, to maximize market presence. Digital capabilities and interaction are essential to support customers and create business opportunities. Consequently, we continuously develop our teams to ensure they are equipped in these areas and have the right competencies. We always aim to be available when our customers need us, wherever we can support them best. The Group has a global reach with sales in around 180 countries.

Equipment sales is performed by engineers with strong application knowledge and the ambition to offer the best solution for specific applications. Service and maintenance performed by skilled technicians are an integral part of our offering. Service is the responsibility of dedicated divisions in each business area. This includes the development of service products, sales and marketing, technical support, and service delivery, all supported by data analysis from connected equipment.

Stable service business

37% of the Group's revenues come from service (spare parts, maintenance, repairs, consumables, accessories, and specialty rental), often generated from service contracts. An increased amount of connected equipment gives additional opportunities to support the service business in developing value for our customers. The service business provides a strong base as revenues from service are more stable than revenues from equipment sales.

Increase customer value

Customer focus is a guiding principle for Atlas Copco Group. Surveys are conducted regularly to learn from customers' experience and opinions about their interaction with the Group. Customers are also often engaged in feedback discussions to improve our products and services. A number of key performance indicators on customer satisfaction have been established, which are continuously followed up to ensure improved satisfaction.

Manufacturing and logistics

We strive to have manufacturing close to our customers. As a result, our production facilities are located in Europe, Asia, and the Americas. Local manufacturing also brings resilience and the ability to adapt to changing conditions.

Our philosophy is to manufacture in-house such components that are critical to the equipment's performance. For other components, we leverage the capacity and competence of our business partners. Flexible purchasing and logistics are of great importance.

Purchased components account for approximately 75% of the production cost of equipment, while the remaining 25% are internally manufactured core components, assembly costs and overhead. Equipment sales generate about 63% of revenues, and manufacturing and logistics are organized to be able to adapt quickly to changes in demand. Equipment manufacturing is based primarily on customer orders, while only some standard, high-volume equipment is manufactured based on projected demand.



Global reach with local presence

Atlas Copco Group has a global reach with sales in around 180 countries. Sales and service are performed by employees with strong application and process knowledge.

75%

About 75% of the production cost of equipment represents purchased components.

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The assembly of equipment is generally carried out in the Group's own facilities, and we take responsibility for the products' functionality and quality. In order to optimize production flows, the assembly is typically lean, and the final product is generally shipped directly to the end user.
The organization works continuously to efficiently use human, natural, and capital resources while ensuring the highest quality.

Innovation

At Atlas Copco Group we believe there is always a better way of doing things. By developing the right technologies, we will contribute to a better tomorrow. Hence, innovation and product development are of the greatest importance. Innovation will improve customer value and strengthen customer relationships, our brands, and financial performance. Products are designed internally, and research and development expenditures correspond to about 4% of total revenues.
The fundamental objective is to design and efficiently produce new and improved products that provide sustainable and tangible customer benefits in terms of productivity, energy efficiency, and/or lower life-cycle costs. New hardware and software are developed by skilled engineers in the divisions. Atlas Copco Group protects its technical innovations with patents. Innovation also includes improved processes to optimize the flow and utilization of assets and information. Overcapacities and inefficiencies must always be challenged.

Investments in fixed assets and working capital

Our manufacturing philosophy results in a moderate need for investments in property, plant and equipment, which can be adapted to short and medium-term changes in demand. Most investments relate to machining equipment for core manufacturing activities and to production facilities, primarily for core component manufacturing and assembly operations.
The working capital requirements are affected by the relatively high share of sales through own customer centers, which affects the amount of inventory and receivables. In an improving business climate with higher volumes, more working capital will be tied up. If the business climate deteriorates, working capital will be released.

Acquisitions

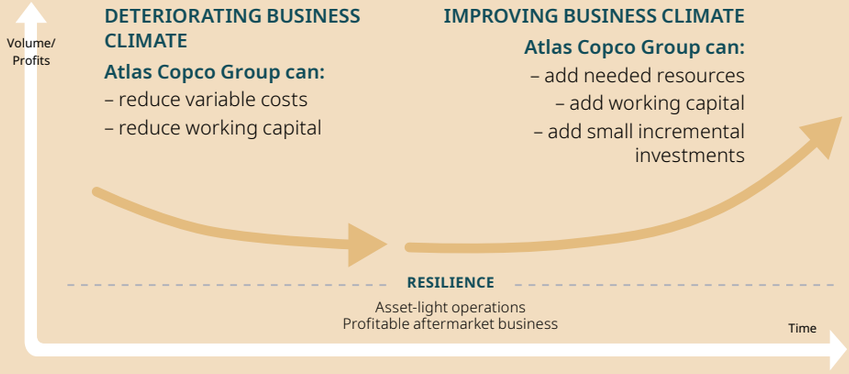
Acquisitions are primarily made in, or very close to, existing core businesses, with the aim to grow existing businesses or create new platforms for growth. All divisions are required to map and evaluate businesses that are adjacent, and may offer tangible synergies, to existing businesses. All acquired businesses are expected to contribute positively to economic value added.

Research and development expenditures correspond to about

4%

of total revenues.

Agile and resilient operational setup





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Structure and governance

Atlas Copco Group's organization is based on the principle of decentralized responsibilities and authorities (see organization chart to the right). The organization consists of both operating and legal units. Each operating unit has a business board reflecting the Group's operational structure. The duty of the business board is to serve in an advisory and decision-making capacity concerning strategic and operative issues. It also ensures the implementation of controls and assessments. Each legal company has a legal board focusing on compliance and reflecting the legal structure of the Group.

The Board of Directors is responsible for the organization and management of the Group, regularly assessing the Group's financial situation and financial, legal, social and environmental risks, and ensuring that the organization is designed for satisfactory control. The Board of Directors is also responsible for recruiting and appointing the President and CEO.

The President and CEO is responsible for the daily management of the Group following the Board's guidelines and instructions. The President and CEO is also responsible for ensuring that the organization works towards achieving the targets for sustainable, profitable growth. The President and CEO leads the Group Management, which also consists of the business area presidents and five functional heads.

The business areas are responsible for developing their respective operations by implementing and following up on strategies and objectives to achieve sustainable, profitable growth.

The divisions are separate operational units, responsible for delivering results in line with the strategies and objectives set by the business area. Each division has global responsibility for a specific product or service offering. A division can include one or more product companies (units responsible for product development, manufacturing and marketing), distribution centers, and several customer centers (units responsible for customer contacts, sales and service) dedicated or shared with other divisions.

Regional holding functions are established worldwide to support the divisional structure of the Group and to represent Group Management.

Atlas Copco Group's organization is based on the principle of decentralized responsibilities and authorities

As of January 1, 2025

BOARD OF DIRECTORS

PRESIDENT AND CEO

GROUP MANAGEMENT

COMPRESSOR TECHNIQUE	VACUUM TECHNIQUE	INDUSTRIAL TECHNIQUE	POWER TECHNIQUE
Divisions	**Divisions**	**Divisions**	**Divisions**
Compressor Technique Service	Vacuum Technique Service	Industrial Technique Service	Power Technique Service
Industrial Air	Semiconductor Service	Motor Vehicle Industry Tools and Assembly Systems	Specialty Rental
Oil-free Air	Semiconductor	General Industry Tools and Assembly Systems	Portable Air
Air and Gas Applications	Semiconductor Chamber Solutions	Chicago Pneumatic Tools	Portable Power and Flow
Medical Gas Solutions	Scientific Vacuum	Industrial Assembly Solutions	Industrial Flow
Gas and Process	Industrial Vacuum	Machine Vision Solutions	
Airtec			

Divisions generally conduct business through product companies, distribution centers, and customer centers.

Atlas Copco Group is unified and strengthened through:

A shared purpose, vision and identity	Shared goals and strategic fundamentals	The corporate culture and the core values: interaction, commitment, and innovation		Common processes and shared best practices gathered in the handbook of policies and guidelines *The Way We Do Things*
One common Group identity and a common brand governance model	The sharing of resources and infrastructure/ service providers	An internal job market	A common leadership model	One Group Treasury
				The Group's Code of Conduct

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Culture, leadership and people

Atlas Copco Group's culture is characterized by high-performing teams and a commitment to people, customers, products, innovation, and sustainability. We believe that there is always a better way of doing things and advocate freedom with accountability. Several activities are carried out on a regular basis to maintain and develop our corporate culture, such as recurring workshops for employees on company values, strategy, and guidelines.

In the Group, leadership is defined as the ability to create lasting results through people. We believe that competent and committed leaders are crucial to achieving sustainable, profitable growth. Freedom to act and accountability are guiding principles.

All leaders are given a mission statement from their manager, outlining long-term expectations and goals in both quantitative and qualitative terms. The timeframe of the mission is typically three to five years. Based on the mission statement, the leader is expected to develop a vision, and clarify how the mission will be achieved, including the strategies, organization and people needed to make it happen.

Atlas Copco Group's performance is closely related to how the Group succeeds in being a good employer, attracting and developing resourceful and motivated people. With a global business conducted through numerous companies, we work with continuous competence development and knowledge sharing, while embedding our core values: interaction, commitment and innovation, across all people processes.

Atlas Copco Group has a strong culture of growing talents by encouraging employees to take accountability for their own career and competence development. The Group enables and encourages internal mobility and growth by offering continuous learning activities and an internal job market. With the ambition to develop individuals and teams to reach their full potential, Atlas Copco Group offers accessible tools and targeted learning content, both digital and classroom courses and programs, to all employees.

If the Group needs to adapt capacity in a deteriorating business climate, the first action is to stop recruitment. Layoffs are the last resort.



Processes

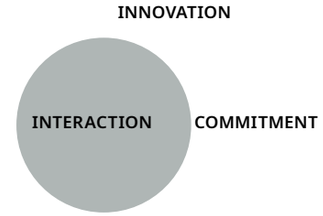
Group-wide strategies, processes, principles, guidelines, and shared best practices are gathered in the handbook of policies and guidelines *The Way We Do Things*, which is available to all employees. Although most of the processes are self-explanatory, managers are provided regular training in their implementation. Wherever Atlas Copco Group's employees are located, they are expected to work in accordance with the provided processes, principles and guidelines. The handbook covers governance, safety, health, environment and quality, accounting and business control, treasury, tax, audit and internal control, Information technology (IT), people, culture, legal, communications and branding, risk, crisis management, administrative services, insurance, standardization, and acquisitions.

THE GROUP'S CODE OF CONDUCT

Internal policy documents related to business ethics and social and environmental performance are summarized in Atlas Copco Group's Code of Conduct. All employees in Group companies, as well as our business partners, are expected to adhere to these policies. All employees are also required to annually sign a compliance statement and participate in a biennial ethics training.

OUR CORE VALUES

Our values reflect how we behave internally and in relation to external stakeholders.



INTERACTION
We interact and develop close relationships with customers, internally and externally, as well as with other stakeholders. This takes place in many ways: physically, online or indirectly through business partners. We always look for what is best for a specific target group.

INNOVATION
Our innovative spirit is reflected in everything we do. Our customers expect the best from Atlas Copco Group and our objective is to consistently deliver high-quality products and service that increase customers' productivity and competitiveness.

COMMITMENT
We operate worldwide with a long-term commitment to our customers in each country and market served. We keep our promises and always strive to exceed high expectations.

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The year in review

Market review and demand

The overall demand for Atlas Copco Group's equipment and services remained stable in 2024. The demand for service, including specialty rental solutions, remained good and solid order growth was achieved in all regions. In comparable currencies the order intake for service increased by 9% with positive contribution from all business areas. Orders for equipment, on the other hand, decreased by 2% adjusted for currency, due to weaker demand for most product groups.

The order intake for industrial compressors remained essentially unchanged, while the order intake for gas and process compressors did not fully reach the previous year's high level.

The demand for vacuum equipment was mixed. Order volumes for vacuum equipment to the semiconductor and flat panel industry increased, driven by strong development in Asia and a somewhat increased order intake in Europe. The order intake for vacuum equipment to industrial and scientific vacuum customers, on the other hand, decreased, mainly driven by lower order intake in Asia. Order volumes for industrial assembly and vision solutions to the automotive industry decreased, primarily driven by lower investment levels among car manufacturers in Asia and Europe. The order intake for industrial assembly and vision solutions to the general industry remained at the same level as previous year. Orders for power equipment, such as portable compressors and generators, decreased mainly due to significantly lower demand in North America. Demand for industrial pumps also decreased, but overall order intake increased thanks to contributions from acquisitions in Europe and Africa/Middle East.

In total, the Group's order intake reached MSEK 171 115 (170 627). Currency had a negative effect of 2%, while acquisitions contributed with 2%, resulting in a flat organic order development. See further information in the business area sections on pages 19–31.

North America

The order intake in North America decreased 4% in local currencies. Order volumes for industrial compressors, and gas and process compressors, decreased, particularly for the latter part of the year. The order intake for vacuum equipment decreased markedly, driven primarily by lower demand from the semiconductor industry. Order volumes for industrial assembly and vision solutions remained essentially unchanged due to a weaker demand from the automotive industry, that was compensated by increased demand from the general industry. Orders for power equipment, such as portable compressors, generators, and pumps, decreased. The service business continued to develop well with increased order intake in all business areas. In total, North America accounted for 26% (27) of orders received.

South America

Orders received in South America increased 12% in local currencies. Order intake for industrial compressors and power equipment increased markedly. Orders for industrial assembly and vision solutions also increased. The demand for service increased and solid order growth was achieved in all business areas. South America accounted for 4% (4) of orders received.

Europe

The order intake in Europe increased 2% in local currencies. The order intake for industrial compressors and vacuum equipment was basically unchanged. The demand for gas and process compressors did not reach the previous year's level and the order intake decreased markedly. Orders for power equipment, such as portable compressors and pumps, increased. Solid order growth was achieved for the service business within all business areas. In total, Europe accounted for 27% (27) of orders received.

Africa/Middle East

Orders received increased 49% in Africa/Middle East in local currencies. The strong order growth was driven by significantly higher demand for industrial compressors and gas and process compressors. Strong order growth was also achieved for power equipment. The demand for service increased and the order intake increased in all business areas. In total, Africa/Middle East accounted for 7% (5) of orders received.

Asia/Oceania

The order intake in Asia/Oceania remained unchanged in local currencies. The demand for compressors weakened and the order intake for industrial compressors, and gas and process compressors, decreased. Orders for industrial assembly and vision solutions also decreased due to lower investment levels in the automotive and general industry. The order intake for vacuum equipment increased, driven by higher demand from the semiconductor and flat panel industry. Orders for industrial and scientific vacuum equipment decreased. The demand for power equipment, such as portable compressors, generators and pumps, decreased, but thanks to contributions from acquisitions, the order intake increased. The service business achieved solid order growth in all business areas. Asia/Oceania accounted for 36% (37) of orders received.

Market presence

Atlas Copco Group had own customer centers in 73 (71) countries and production facilities in 28 (26) countries. Revenues were reported in 179 (182) countries.

Important events – before and after period end

Acquisitions and divestments

The Group completed 33 acquisitions during the year. In total, the acquisitions added net revenues of approximately MSEK 3 410 compared to the previous year. See further information in note 2 and in the business area sections on pages 19–31.

New President and CEO

As of April 27, 2024, Vagner Rego became President and CEO of Atlas Copco AB, succeeding Mats Rahmström. Before taking on the role as President and CEO, Vagner Rego was President of the Compressor Technique business area.

Changes in Group Management

On February 20, 2024, Philippe Ernens was appointed President of the Compressor Technique business area and member of Group Management, effective May 1, 2024. Philippe Ernens was previously President for the Oil-free Air division within the Compressor Technique business area.

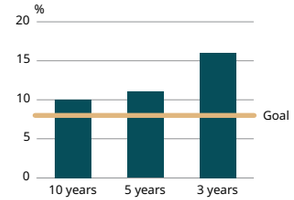
On September 23, 2024, Koen Lauwers was appointed President of the Vacuum Technique business area and member of Group Management, effective January 1, 2025. Koen Lauwers was previously President for the Semiconductor division within the Vacuum Technique business area.

As of January 1, 2024, Marcus Hvied became member of Group Management after having been appointed Senior Vice President, Chief Information Officer.

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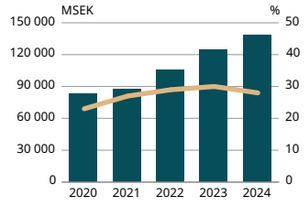
Financial targets – growth and return development

Annual revenue growth rate, average (FX adjusted) [1]



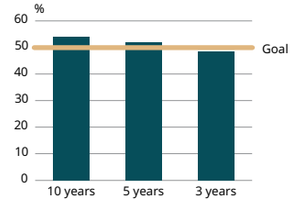
The Group's target for annual revenue growth is 8%, measured over a business cycle. At the same time, the ambition is to grow faster than the most important competitors. Growth should primarily be organic, supported by selective acquisitions.

Capital employed and return



The Group's target is to deliver sustained high return on capital employed, by constantly striving for operational excellence and generating growth.

Dividend/earnings per share, average [2]
including discontinued operations



The Group aims to have a strong and cost-efficient financing of the business. The priority for the use of capital is to develop and grow the business. The strong profitability and cash generation allow the Group to do that while at the same time maintaining the ambition to distribute about 50% of earnings as dividends to shareholders.

Dividend policy history

–2003	30–40% of earnings
2003–2011	40–50% of earnings
2011–	about 50% of earnings

[1] Figures for the years between 2015 and 2017 are best estimated numbers, as the effects of the distribution of Epiroc and restatements for IFRS 15 are not fully reconciled.

[2] Dividend for the fiscal year 2024 is based on the proposal from the Board of Directors.

Orders received by region and order development in local currency



North America	South America	Europe	Africa/ Middle East	Asia/ Oceania
Share: **26%**	Share: **4%**	Share: **27%**	Share: **7%**	Share: **36%**
Change: **–4%**	Change: **+12%**	Change: **+2%**	Change: **+49%**	Change: **0%**

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Revenues and return

Revenues

The Group's revenues increased 2% to a record MSEK 176 771 (172 664), corresponding to a 2% organic increase. Currency had a negative effect of 2%, and acquisitions contributed with 2% during the year. The Group's target is to achieve an annual revenue growth of 8% over a business cycle. For the period 2015–2024, the average annual revenue growth has been 9%*.

Operating profit

The operating profit also reached a record of MSEK 38 166 (37 091), corresponding to a margin of 21.6% (21.5). Items affecting comparability amounted to MSEK –575 (–1 126) whereof the change in provision for share-related long-term incentive programs, reported in Common Group Items was MSEK –268 (–520).

Other items affecting comparability includes MSEK +65 for a partial release of a provision for a commercial dispute recorded in Q4 2023, MSEK –194 attributed to costs related to a management buyout in Russia in the form of an asset transfer, both reported in Common Group Items, restructuring costs of total MSEK –400 in the business areas Vacuum Technique and Industrial Technique, and MSEK +222 related to a representations and warranties insurance claim in the Vacuum Technique business area. The adjusted operating profit increased 1% to MSEK 38 741 (38 217), corresponding to a margin of 21.9% (22.1). See the sales and profit bridge below.

The operating profit for the Compressor Technique business area increased by 7% to MSEK 19 716 (18 488), corresponding to a margin of 25.2% (24.5). The margin was positively affected by currency and by the combination of volume, price and mix, while acquisitions had a negative effect.

The operating profit for the Vacuum Technique business area decreased 11% to MSEK 8 541 (9 607), corresponding to a margin of 21.1% (22.4). Items affecting comparability amounted to MSEK –4, whereof MSEK –226 related to restructuring costs and MSEK +222 related to a recovered representations and warranties insurance claim, attributed to an acquisition dating back before 2020. The adjusted operating margin was 21.1% (22.4), negatively affected by lower revenue volumes and dilutions from acquisition. Currency had a positive effect on the margin.

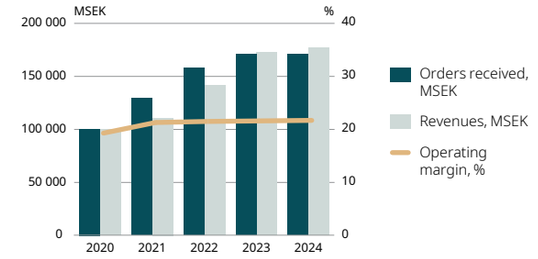
The operating profit for the Industrial Technique business area decreased 2% to MSEK 6 066 (6 183), including items affecting comparability of MSEK –174 related to restructuring costs. The operating margin was 20.5% (21.7). The adjusted operating margin was 21.1% (21.7), negatively affected by an unfavorable sales mix and dilution from acquisitions.

The operating profit for the Power Technique business area increased 6% to a record MSEK 5 488 (5 191), corresponding to a margin of 18.5% (19.3). The lower margin was primarily due to negative effects from volume and dilution from acquisitions. Currency had no material effect on the operating margin.

Net costs for common Group items and eliminations were MSEK –1 645 (–2 378). The decrease was mainly due to last year's higher costs linked to a provision recorded of MSEK –606 related to a commercial dispute originating from an agreement dating back to before the current Group structure and the split of the Group in 2018.

* Currency adjusted. Figures for the years 2015–2017 are best estimated numbers, as the effects of the distribution of Epiroc and restatements for IFRS 15 are not fully reconciled.

Orders received, revenues and operating margin



Sales bridge	Compressor Technique		Vacuum Technique		Industrial Technique		Power Technique	
	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues
2023, MSEK	**79 492**	**75 552**	**35 723**	**42 812**	**29 497**	**28 453**	**26 940**	**26 899**
Structural change, %	+1	+1	+2	+1	+0	+0	+10	+9
Currency, %	–2	–2	–1	–1	–1	–1	–1	–1
Organic*, %	+2	+5	+2	–6	–5	+5	–6	+2
Total, %	+1	+4	+3	–6	–6	+4	+3	+10
2024, MSEK	**79 976**	**78 259**	**36 629**	**40 441**	**27 656**	**29 522**	**27 866**	**29 622**

* Volume, price and mix.

Bridge – revenues and operating profit, MSEK	2024	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based long-term incentive programs	2023
Revenues	176 771	3 242	–2 545	3 410	–	–	172 664
Operating profit	38 166	94	385	45	299	252	37 091
Effect on margin, %	21.6						21.5

Sales bridge, Atlas Copco Group	Orders received	Revenues
2023, MSEK	**170 627**	**172 664**
Structural change, %	+2	+2
Currency, %	–2	–2
Organic*, %	+0	+2
Total, %	+0	+2
2024, MSEK	**171 115**	**176 771**

* Volume, price and mix.

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Revenues and return, continued

Depreciation and EBITDA

Depreciation, amortization and impairment costs were MSEK 8 813 (7 779) and earnings before depreciation and amortization, EBITDA, reached MSEK 46 951 (44 852), corresponding to a margin of 26.6% (26.0).

Net financial items

The Group's net financial items totaled MSEK –366 (–649) whereof interest net was MSEK –258 (–521). The lower interest net was mainly a result of lower net debt. Other financial items were MSEK –108 (–128). See notes 7 and 26.

Profit before tax

Profit before tax increased 4% to MSEK 37 800 (36 442). Excluding items affecting comparability, profit before tax was MSEK 38 375 (37 568), corresponding to a margin of 21.7% (21.8).

Taxes

Taxes for the year amounted to MSEK 8 006 (8 390), corresponding to an effective tax rate of 21.2% (23.0) in relation to profit before tax. The lower effective tax rate was partly due to the release of a provision for an R&D tax incentive in the second quarter. See note 8.

Profit and earnings per share

Profit for the year increased 6% to MSEK 29 794 (28 052). This corresponds to basic and diluted earnings per share of SEK 6.11 (5.76) and SEK 6.10 (5.75) respectively.

Depreciation, amortization and impairment, MSEK	2024	2023
Rental equipment	1 098	897
Other property, plant and equipment	2 244	1 944
Right-of-use assets	1 855	1 639
Intangible assets	3 616	3 299
Total	**8 813**	**7 779**

Key financial data, MSEK	2024	2023	Change, %
Orders received	171 115	170 627	0
Revenues	176 771	172 664	2
EBITDA	46 951	44 852	
– in % of revenues	26.6	26.0	
EBITA [1]	40 489	39 242	
– in % of revenues	22.9	22.7	
Operating profit	38 166	37 091	3
– in % of revenues	21.6	21.5	
Adjusted operating profit	38 741	38 217	1
– in % of revenues	21.9	22.1	
Profit before tax	37 800	36 442	4
– in % of revenues	21.4	21.1	
Profit for the year	29 794	28 052	6
Basic earnings per share, SEK	6.11	5.76	
Diluted earnings per share, SEK	6.10	5.75	

[1] Operating profit excluding amortization of intangibles related to acquisitions.

Revenues and operating profit,	Revenues		Operating profit		Operating margin, %		Return on capital employed, %		Investments in tangible fixed assets [1]	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Compressor Technique	78 259	75 552	19 716	18 488	25.2	24.5	85	85	1 760	1 091
Vacuum Technique	40 441	42 812	8 541	9 607	21.1	22.4	20	22	1 358	1 742
Industrial Technique	29 522	28 453	6 066	6 183	20.5	21.7	21	21	604	738
Power Technique	29 622	26 899	5 488	5 191	18.5	19.3	18	22	2 940	2 089
Common Group functions/eliminations	–1 073	–1 052	–1 645	–2 378					102	143
Total Group	**176 771**	**172 664**	**38 166**	**37 091**	**21.6**	**21.5**	**28**	**30**	**6 764**	**5 803**

[1] Excluding right-of-use assets.

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Revenues and return, continued

Balance sheet

The Group's total assets increased 14% to MSEK 208 538 (182 684). Cash, cash equivalents and other current financial assets increased to MSEK 19 402 (11 852), as a net effect of operational cash generation (see next page), dividend to shareholders of MSEK –13 647 (–11 203), and acquisitions of MSEK –7 424 (–4 314).

Working capital ratios

The ratio of inventories to revenues at year end decreased to 16.4% (17.0), and trade receivables was 19.1% (18.9). Trade payables were 9.5% (10.3).

Capital turnover

The capital turnover ratio was 0.89 (0.94) and the capital employed turnover ratio was 1.28 (1.38).

Equity

At year end, Group equity including non-controlling interests was MSEK 113 760 (91 500), corresponding to 55% (50) of total assets. Equity per share was SEK 23 (19). Atlas Copco AB's market capitalization at year end was BSEK 800 (816), a decrease of 2%. The information related to public takeover bids is the same as for the Parent Company and described on page 18.

Total comprehensive income for the year was MSEK 36 113 (22 900). See page 101 and note 9. Shareholders' transactions include dividends totaling MSEK –13 652 (–11 211), sales and repurchases of own shares of net MSEK 45 (265), and share-based payments of net MSEK –238 (–472). See page 103 and note 19.

Return on capital employed and return on equity

Return on capital employed reached 28% (30) and the return on equity was 29% (32). The Group uses a weighted average cost of capital (WACC) of 8% (8) after tax as an investment and overall performance benchmark.

Balance sheet in summary, MSEK	Dec 31, 2024	Dec 31, 2023
Intangible assets	77 107	67 501
Rental equipment	5 947	4 345
Other property, plant and equipment	17 745	14 358
Right-of-use assets	7 133	5 763
Other fixed assets	5 095	4 510
Inventories	29 012	29 283
Receivables	47 097	45 072
Current financial assets	434	965
Cash and cash equivalents	18 968	10 887
Total assets	**208 538**	**182 684**
Total equity	113 760	91 500
Interest-bearing liabilities	37 504	35 293
Non-interest-bearing liabilities	57 274	55 891
Total equity and liabilities	**208 538**	**182 684**

Equity, MSEK	2024	2023
Opening balance	91 500	80 026
Profit for the year	29 794	28 052
Other comprehensive income for the year	6 319	–5 152
Shareholders' transactions	–13 652	–11 211
Change of non-controlling interests	–8	–8
Acquisition and divestment of own shares	45	265
Share-based payments, equity settled	–238	–472
Closing balance	113 760	91 500
Equity attributable to		
– owners of the parent	113 700	91 450
– non-controlling interests	60	50

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Revenues and return, continued

Interest-bearing debt and net indebtedness

Total interest-bearing debt was MSEK 37 504 (35 293), whereof MSEK 2 740 (2 584) in post-employment benefits. The Group has an average maturity of 4.7 years on interest-bearing liabilities. See notes 20 and 22 for additional information. The Group's net indebtedness, amounted to MSEK 18 102 (23 441) at year end. The net debt/EBITDA ratio was 0.4 (0.5) and the debt/equity ratio was 16% (26).

Credit rating

Atlas Copco AB's long-term and short-term debt is rated by Standard & Poor's and Fitch with the long-/short-term rating A+/A-1 and A+/F1+, respectively.

Operating cash flow and investments

Operating cash surplus was MSEK 47 099 (45 781). Cash flows from financial items were MSEK 151 (–883). Net pension funding and payments were MSEK –517 (–512). The working capital decreased by MSEK 2 068 (increase of 5 775), primarily due to lower inventories. Net investments in rental equipment were MSEK 2 444 (1 769).

Gross investments in property, plant and equipment increased to MSEK 4 236 (3 987). In 2024, Compressor Technique made notable investments in a production and R&D facility in China, a production and R&D facility in India, a compressor production facility in Türkiye, and a service center for gas and process compressors in the USA. Vacuum Technique invested in a service facility, and a production facility for dry vacuum pumps in the USA, new machinery in a production facility in India, and a production facility for turbo pumps in Japan. Industrial Technique invested in new machinery in a production facility in Sweden and in a production and R&D facility in China. Power Technique made investments in a rental depot in Spain, and in production facilities for portable compressors in Belgium and China. Cash received from sale of property, plant and equipment equaled MSEK 74 (101).

Net investments in intangible assets, mainly related to capitalization of product development expenditures, were MSEK 1 788 (1 464). Net investments in other assets were MSEK 52 (–18). In total, the operating cash flow reached MSEK 30 981 (23 192).

Cash flow from structural changes

The net cash flow from structural changes, i.e. acquisitions and divestments, amounted to MSEK –7 424 (–4 314). See also note 2.

Cash flow from financing

Dividends paid amounted to MSEK –13 647 (–11 203). Sales and repurchases of own shares resulted in a net of MSEK 45 (265), all related to hedging or deliveries of shares for the long-term incentive plans described on page 129. Change in interest-bearing liabilities was MSEK –2 238 (–7 330).

Employees

In 2024, the average number of employees in the Group increased by 3 096 to 54 206. At year end, the number of employees was 55 146 (52 778), and the number of consultants/external workforce was 3 001 (3 123). For comparable units, the total workforce increased by 667. See also note 4.

Calculation of operating cash flow, MSEK	2024	2023
Operating cash surplus	47 099	45 781
Net financial items	151	–883
Taxes paid	–9 470	–8 758
Pension funding	–517	–512
Change in working capital	2 068	–5 775
Increase in rental equipment, net	–2 444	–1 769
Cash flows from operating activities	**36 887**	**28 084**
Investments of property, plant and equipment, net	–4 162	–3 886
Other investments, net	–1 736	–1 482
Cash flow from investments	**–5 898**	**–5 368**
Adjustment for currency hedges of loans	–8	476
Operating cash flow	**30 981**	**23 192**

Average number of employees (FTE)	2024	2023
Atlas Copco Group	54 206	51 110
– Sweden	1 680	1 576
– Outside Sweden	52 526	49 534
Business areas		
– Compressor Technique	22 956	21 638
– Vacuum Technique	12 801	12 620
– Industrial Technique	10 196	9 746
– Power Technique	7 338	6 242
– Common Group functions	915	864

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Parent Company

Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group and is headquartered in Nacka, Sweden.

Earnings

Profit before tax amounted to MSEK 20 599 (11 621) and profit for the year amounted to MSEK 20 191 (11 374). The difference between the years is mainly due to increased dividends from Group Companies.

Financing

The total assets of the Parent Company were MSEK 204 674 (198 050). At year end 2024, cash and cash equivalents amounted to MSEK 0 (0) and interest-bearing liabilities amounted to MSEK 35 002 (34 605). Equity represented 82% (82) of total assets and non-restricted equity totaled MSEK 162 807 (156 444).

Employees

The average number of employees in the Parent Company was 126 (119).

Remuneration

Principles for remuneration, fees and other remuneration paid to the Board of Directors, the President and CEO, and other members of Group Management, other statistics, and the guidelines regarding remuneration and benefits to Group Management as approved by the Annual General Meeting, are specified in note 4.

Financial risks, risks and factors of uncertainty

Atlas Copco Group is subject to currency risks, interest rate risks and other financial risks. Atlas Copco Group has adopted a policy to control the financial risks to which Atlas Copco AB and other Group companies are exposed. A financial risk management committee meets regularly to make decisions about how to manage these risks. See also Risks, risk management and opportunities on pages 82–87.

Appropriation of profit

The Board of Directors proposes to the Annual General Meeting 2025, a dividend of SEK 3.00 (2.80) per share to be paid for the 2024 fiscal year. Excluding shares currently held by the Company, the proposed dividend corresponds to a total of MSEK 14 612 (13 647).

In order to facilitate a more efficient cash management, the dividend is proposed to be paid in two equal installments, the first with record date May 2, 2025, and the second with record date October 21, 2025.

SEK	
Retained earnings including reserve for fair value	142 615 979 719
Profit for the year	20 190 711 361
	162 806 691 080
The Board of Directors proposes that these earnings be appropriated as follows:	
To the shareholders, a dividend of SEK 3.00 per share	14 611 841 946
To be retained in the business	148 194 849 134
Total	**162 806 691 080**

Shares and share capital

At year end, Atlas Copco AB's share capital totaled MSEK 786 (786) and a total number of 4 918 452 416 shares divided into 3 357 576 384 class A shares and 1 560 876 032 class B shares were issued. Net of 47 838 434 class A shares and 0 class B shares held by the Group, 4 870 613 982 shares were outstanding. Class A shares entitle the owner to one vote while class B shares entitle the owner to one tenth of a vote. Class A shares and class B shares carry equal rights to a part of the Company's assets and profit.

Investor AB is the single largest shareholder in Atlas Copco AB. At year end 2024, Investor AB held a total of 835 653 755 shares, representing 22.3% of the votes and 17.0% of the capital.

There are no restrictions prohibiting the right to transfer shares of the Company, nor is the Company aware of any such agreements. In addition, the Company is not party to any material agreement that enters into force or is changed or ceases to be valid if the control of the Company is changed as a result of a public takeover bid. There is no limitation to the number of votes that can be cast at a General Meeting of shareholders.

As prescribed by the Articles of Association, the General Meeting has sole authority for the election of Board members and there are no other rules relating to the election or dismissal of Board members or changes in the Articles of Association. Correspondingly, there are no agreements with Board members or employees regarding compensation in case of changes of current position reflecting a public takeover bid.

Statutory sustainability report

Atlas Copco AB has prepared a sustainability report in accordance with the Global Reporting Initiative's guidelines (GRI Standards) which, in combination with the EU Taxonomy regulation disclosures on pages 54–59, also constitutes Atlas Copco AB's statutory sustainability report and encompasses all its subsidiaries. The sustainability report has been prepared in accordance with the disclosure requirements set out in the Swedish Annual Accounts Act, in accordance with the old version in force before 1 July 2024. The scope and content of the sustainability report are defined on page 81.

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Business areas

Atlas Copco Group offers customers innovative compressed air and gas solutions, air treatment systems, vacuum solutions, industrial power tools and assembly systems, machine vision, and power and flow solutions. The Group's four business areas are responsible for developing their respective operations by implementing and following up on strategies and objectives to achieve sustainable, profitable growth.

Compressor Technique, page 20



The Compressor Technique business area provides compressed air and gas solutions such as industrial compressors, gas and process compressors and expanders, air and gas treatment equipment, air management systems, and service through a global network.

Key figures, MSEK	2024	2023	Change, %
Orders received	79 976	79 492	1%
Revenues	78 259	75 552	4%
EBITA*	20 302	19 073	
– as a percentage of revenues	25.9	25.2	
Operating profit	19 716	18 488	7%
Operating margin, %	25.2	24.5	
Return on capital employed, %	85	85	
Investments	1 760	1 091	
Average number of employees	22 956	21 638	

* Operating profit excluding amortization of intangibles related to acquisitions.

Industrial Technique, page 23



The Industrial Technique business area provides industrial power tools, assembly and machine vision solutions, quality assurance products, and service through a global network.

Key figures, MSEK	2024	2023	Change, %
Orders received	27 656	29 497	–6%
Revenues	29 522	28 453	4%
EBITA*	6 574	6 730	
– as a percentage of revenues	22.3	23.7	
Operating profit	6 066	6 183	–2%
Operating margin, %	20.5	21.7	
Return on capital employed, %	21	21	
Investments	604	738	
Average number of employees	10 196	9 746	

* Operating profit excluding amortization of intangibles related to acquisitions.

Vacuum Technique, page 26



The Vacuum Technique business area provides vacuum products, exhaust management systems, valves and related products, and service through a global network.

Key figures, MSEK	2024	2023	Change, %
Orders received	36 629	35 723	3%
Revenues	40 441	42 812	–6%
EBITA*	9 316	10 327	
– as a percentage of revenues	23.0	24.1	
Operating profit	8 541	9 607	–11%
Operating margin, %	21.1	22.4	
Return on capital employed, %	20	22	
Investments	1 358	1 742	
Average number of employees	12 801	12 620	

* Operating profit excluding amortization of intangibles related to acquisitions.

Power Technique, page 29



The Power Technique business area provides portable air and power, industrial and portable flow solutions through products such as mobile compressors, generators, energy storage systems, dewatering and industrial pumps, along with a number of complementary products. It also offers specialty rental and provides service through a global network.

Key figures, MSEK	2024	2023	Change, %
Orders received	27 866	26 940	3%
Revenues	29 622	26 899	10%
EBITA*	5 943	5 490	
– as a percentage of revenues	20.1	20.4	
Operating profit	5 488	5 191	6%
Operating margin, %	18.5	19.3	
Return on capital employed, %	18	22	
Investments	2 940	2 089	
Average number of employees	7 338	6 242	

* Operating profit excluding amortization of intangibles related to acquisitions.

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Compressor Technique

The overall demand for the business area's equipment and services remained basically unchanged. A weaker order intake for equipment was compensated by a solid order development for the service business. The business area continued investing in product development, digital capabilities, and market presence, and a new division was created. In addition, 17 acquisitions were closed during the year.

Market development

The overall demand for equipment and service remained basically unchanged, with a slightly better development of the order intake in the first half of the year than in the latter part. In total, the order intake increased by 2% organically.

Solid order growth was achieved for the service business in all regions. The order growth was driven by increased demand for spare parts, maintenance, repair services, and service contracts, which were supported by a rise in the number of connected products and a larger installed base in the market.

The order intake for equipment remained largely unchanged, with increased demand in Africa/Middle East and South America, while the demand in Asia, Europe, and North America weakened.

Orders for industrial compressors remained essentially unchanged, with a slightly better development for small and medium-sized compressors than larger industrial compressors. The demand for gas and process compressors was solid, but the order intake did not fully reach the previous year's high level. Order volumes decreased in all regions except Africa/Middle East, where orders increased significantly.

Market presence and organizational development

The business area continued to invest in innovation during the year with increased investments in research and development. Several new innovative products were introduced to the market. The product portfolio was expanded, particularly for applications related to compression of gases. By maintaining a focus on connected products and data analytics, the business area enhanced its ability to assist customers with service.

Investments were also made to increase market presence by adding more salespeople to the organization. The business area also strengthened its online market presence, resulting in an increase in digital sales leads.

Multiple activities were conducted to enhance the business area's digital capabilities and seize opportunities by leveraging AI (artificial intelligence) across various domains, including R&D, finance, customer interaction, and order management, to mention a few.

Throughout the year, the business area continued to support customers in their sustainability ambitions. In addition to developing and delivering a range of new energy-efficient products, the business area also established a dedicated organization focused specifically on helping customers optimizing the energy efficiency of their existing compressor rooms.

To further strengthen its focus on growth, emphasizing an application-driven approach to meet customers' needs, a new division was created, the Air and Gas Applications division.

The business area continued to invest in its operational footprint during the year. Major investments were made in a production and R&D facility in Wuxi, China, a production and R&D facility in Talegaon, India, a compressor production facility in Istanbul, Türkiye, and in a service center for gas and process compressors in Houston, USA.

The business area also increased its presence in targeted markets and customer segments through a large number of acquisitions, see the following section.

The business area closed in total 17 acquisitions in 2024:

- Hycomp Inc.
- Ace Air (NI) Ltd.
- Druckluft-Technik-Nord GmbH
- Pacific Sales & Service, Inc.
- Zahroof Valves Inc.
- Tecturbo
- Baraghini Compressori S.r.l.
- AE Industrial Ltd.
- Emcovele S.A.
- Kingsdown Compressed Air Systems Ltd.
- Compressed Air Technologies, Inc.
- Danmil A/S
- Easy Filtration S.r.l.
- Arlógica Máquinas e Equipamentos, Lda
- Pennine Pneumatic Services Ltd.
- SCS Makina A.Ş
- Metalplan Equipamentos LTDA

For more information see page 110 or www.atlascopcogroup.com.

Revenues, profits and returns

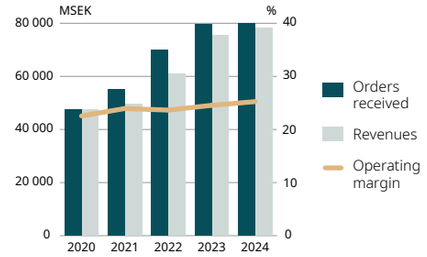
Revenues reached MSEK 78 259 (75 552), an organic increase of 5%. The operating profit increased by 7% to MSEK 19 716 (18 488), corresponding to a margin of 25.2% (24.5). The margin was positively affected by currency and by the combination of volume, price and mix, while acquisitions had a negative effect on the operating margin. Return on capital employed was 85% (85).

Revenues, MSEK 2023: 75 552	**78 259**
Operating profit margin 2023: 24.5%	**25.2%**
Return on capital employed 2023: 85%	**85%**

Sales bridge	Orders received	Revenues
2023, MSEK	**79 492**	**75 552**
Structural change, %	+1	+1
Currency, %	–2	–2
Organic*, %	+2	+5
Total, %	**+1**	**+4**
2024, MSEK	**79 976**	**78 259**

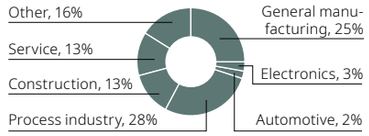
* Volume, price and mix

Orders received, revenues and operating margin

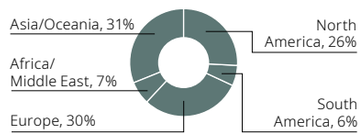


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Orders received by customer category



Revenues by region



Share of revenues



The market

The global market for equipment for compression of air and gases, gas treatment equipment, and related services, is characterized by a diversified customer base. The customers request solutions that are reliable, productive, efficient, and suited to specific applications. Customers are also increasingly looking for partners to support them in reducing their environmental footprint.

Compressors are used in a broad spectrum of applications. Clean, dry, and oil-free air, is needed in industrial processes, e.g. the food, pharmaceutical, electronics, and textile industries. Compressors are used in wastewater treatment, and increasingly in applications contributing to the transition to a low-carbon society, such as hydrogen produced with renewable energy, LNG, carbon capture, and batteries for electric vehicles. Compressed air is also used in automation and in sectors as diverse as hospitals and high-speed trains. Blowers are used in applications where there is a need for a consistent flow of low-pressure air, for example in wastewater treatment, and conveying.

Gas and process compressors and expanders are supplied to various process industries, such as carbon capture, hydrogen, air separation plants, power utilities, chemical and petrochemical plants, and LNG applications.

Stationary industrial air compressors and associated air-treatment products, spare parts and service represent about 90% of revenues. Large gas and process compressors, including related service, represent about 10%.

Market trends

- Increased focus on energy efficiency, optimization, energy recovery, and the reduction of CO_2 emissions
- Customers´ requirement of full utility room optimization
- Accelerated investments in market segments contributing to a low-carbon society
- Focus on total solution and total life-cycle cost
- The combination of cloud technology, big data and AI/machine learning increases the demand for data-driven service solutions
- New applications for compressed air and gases

Demand drivers

- Industrial production
- Demographics and consumer spending
- The transition to a low-carbon society
- Energy costs
- The need for decreased CO_2 emissions drives demand for more energy-efficient machinery

Vision and strategy

The vision is to be First in Mind—First in Choice as a supplier of compressed air and gas solutions by being interactive, committed and innovative, and by offering the best value to customers. The strategy is to further develop a leading position in selected niches and growing the business in a way that is economically, environmentally and socially responsible. This should be done by capitalizing on the strong global market presence, improving market penetration in mature and developing markets, and continuously developing improved products and solutions to satisfy customer demands. The presence is enhanced by utilizing several commercial brands. Key strategies include growing the service business as well as developing businesses within focused areas such as air-treatment equipment, blowers, and compressor solutions for green energy segments, trains, ships, and hospitals.

By offering the most energy-efficient products, the business area aims to contribute to a better tomorrow and to support customers in meeting their sustainability ambitions.

The business area is actively looking at acquiring complementary businesses.

Strategic activities

- Intensify focus on research and development
- Increase focus on digitalization and connected products
- Increase market coverage, through digital and physical presence, and improve presence in targeted markets/segments
- Develop new sustainable products and solutions offering better value and improved energy efficiency to customers
- Activities supporting customers to meet their sustainability ambitions
- Extend the product and service offering to current customers and adjacent segments and applications
- Perform more service on a higher share of the installed base of equipment
- Increase operational efficiency
- Invest in people and competence development
- Acquire complementary businesses

Competition

Compressor Technique's principal competitors in the market for industrial compressors and air treatment equipment are Ingersoll Rand, Kaeser, Hitachi, and Parker Hannifin. There are also numerous regional and local competitors, for example, in China. In the market for gas and process compressors and expanders, the main competitors are Siemens and MAN Turbo.

Market position

A leading market position globally in most of its operations.

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Products and applications

The Compressor Technique business area offers all major air compression technologies, gas treatment equipment, and air management systems. The business area aims to provide customers with the best solution for every application.

Piston compressors
Piston compressors are available as oil-injected and oil-free. They are used in general industrial applications as well as specialized applications.

Oil-free tooth and scroll compressors
Oil-free tooth and scroll compressors are used in industrial and medical applications with a demand for high-quality oil-free air. Some models are available as WorkPlace AirSystem with integrated dryers, as well as with energy-efficient variable speed drive (VSD).

Rotary screw compressors
Rotary screw compressors are available as oil-injected and oil-free. They are used in numerous industrial applications and can feature the WorkPlace AirSystem with integrated dryers, as well as the energy-efficient variable speed drive (VSD) technology and energy recovery kits.

Oil-free blowers
Oil-free blowers are available with different technologies: rotary lobe blowers, rotary screw blowers and centrifugal blowers. Blowers are used in process industry applications with a demand for a consistent flow of low-pressure air, for example in wastewater treatment and conveying.

Oil-free centrifugal compressors
Oil-free centrifugal compressors are used in industrial applications that require constant, large volumes of oil-free air. They are also called turbo compressors.

Gas and process compressors, expanders and pumps
Gas and process compressors, expanders and pumps are primarily supplied to the energy industries (including oil and gas, conventional and renewable power generation, hydrogen etc.), as well as industrial gases. The main equipment solutions are single- and multi-stage centrifugal compressors, expanders and pumps, complemented by oil-free gas screw compressors used by the marine and LNG carrier industry.

Air and gas treatment equipment and medical air solutions
Dryers, coolers, gas purifiers and filters are supplied to produce the right quality of compressed air or gas. In addition, the offering includes solutions for medical air, oxygen and nitrogen generation as well as systems for biogas upgrading.



Oil-injected screw compressor with variable speed

Oil-free gas screw compressors are essential equipment aboard liquefied natural gas vessels



INNOVATIONS DURING 2024

Several new products were introduced during the year, including:

GA 11-30 FLX, a dual-speed oil-injected rotary screw compressor, that can provide up to 20% energy savings, with an option for over-the-air upgrade to total variable speed capabilities for additional energy efficiency.

MDG 450 Aircooled, a new energy-efficient air-cooled desiccant dryer, that minimizes system failures, production downtime, and costly repairs by removing moisture from compressed air with a guaranteed dew point of –40°C.

BBR CBG, CU CBG & HN CBG, a new range for compressing biogas suitable when upgrading into biomethane for compressed natural gas refueling and gas grid applications.

A new purifier for on-site generation of high-purity nitrogen. The **NPH** operates in conjunction with a nitrogen generator and can deliver nitrogen with a purity level of above 99.999%.

Principal product development and manufacturing units are located in: Belgium, the United States, China, South Korea, India, Germany and Italy.



Oil-Free Scroll Medical Air System

MANAGEMENT
Compressor Technique, January 1, 2025



Business Area President Philippe Ernens



Compressor Technique Service, President Dirk Beyts



Industrial Air, President Joeri Ooms



Oil-free Air, President Ben Van Hove



Air and Gas Applications, President Joeri Ooms



Medical Gas Solutions, President Melody Miller



Gas and Process, President Robert Radimeczky



Airtec, President Wouter Ceulemans

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Vacuum Technique

The overall demand for vacuum equipment and related services remained essentially unchanged. Orders for equipment to the semiconductor and flat panel display industry increased, and solid order growth for the service business was achieved, while the order intake for industrial and scientific vacuum equipment decreased. The business area continued investing in product development and in its operational footprint and closed five acquisitions.

Market development

The overall demand for vacuum equipment and related services remained essentially unchanged. Organically, the order intake increased by 2%.

The service business developed well with increased demand from the semiconductor industry as well as from scientific and general industrial customers. The order intake increased in all regions.

The demand for vacuum equipment, however, was mixed. Orders for equipment to the semiconductor and flat panel industry increased driven by strong development in Asia and a somewhat increased order intake in Europe, while orders in North America decreased.

Order volumes for equipment to industrial and scientific vacuum customers, on the other hand, decreased, primarily driven by lower order intake in Asia, but also in North America. The order intake in Europe was unchanged.

Market presence and organizational development

The business area continued to focus on innovation with further investments in research and development. Several new innovative products were introduced, targeting both the semiconductor and flat panel display market, as well as the industrial and scientific vacuum market.

The business area strengthened its market presence through improved product offerings, partly as a result of acquisitions, and a continued emphasis on connected products and online activities.

Several AI initiatives (Artificial Intelligence) were initiated during the year to further strengthen support to customers, develop internal capabilities and competence, and to improve internal efficiency.

The business area supported customers in reducing their environmental footprint through increased delivery of energy-efficient products. To reduce the environmental footprint of its operations, the share of renewable energy contracts in operations increased, particularly in Asia.

To enhance the operational footprint and increase the presence and closeness to customers, major investments were made in a service facility in Arizona, USA, a production facility for dry vacuum pumps in New York State, USA, new machinery in a production facility in Bengaluru, India, and a production facility for turbo pumps in Ina, Japan.

The business area closed in total five acquisitions in 2024:

- Presys Co., Ltd., a manufacturer of vacuum valves for the semiconductor market based in South Korea.
- Montajes Electromecánicos e Ingeniería, S.A. de C.V provides vacuum pumps and related services to industrial customers in Mexico.
- AVT Services Pty Ltd., a company providing vacuum pumps and system sales, and service to customers in Australia.
- Anhui NOY Technologies Co. Ltd., a Chinese helium leak detector manufacturer.
- ESA Service S.r.l, an Italian company designing and manufacturing leak detection and gas recovery systems.

For more information see page 110 or at www.atlascopcogroup.com.

Revenues, profits and returns

Revenues decreased 6% to MSEK 40 441 (42 812), corresponding to a 6% organic decline. The operating profit decreased 11% to MSEK 8 541 (9 607), corresponding to a margin of 21.1% (22.4). Items affecting comparability amounted to MSEK –4, whereof MSEK –226 related to restructuring costs, and MSEK +222, related to a representations and warranties insurance claim, attributed to an acquisition dating back before 2020.

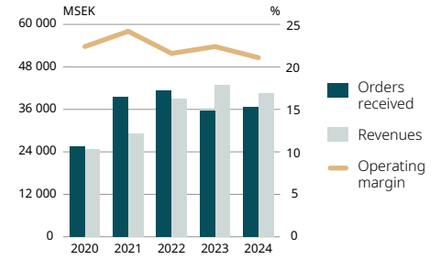
The adjusted operating margin was 21.1% (22.4), negatively affected by lower revenue volumes and dilutions from acquisitions. Currency had a positive effect on the margin. Return on capital employed was 20% (22).

Revenues, MSEK 2023: 42 812	**40 441**
Operating profit margin 2023: 22.4%	**21.1%**
Return on capital employed 2023: 22%	**20%**

Sales bridge	Orders received	Revenues
2023, MSEK	**35 723**	**42 812**
Structural change, %	+2	+1
Currency, %	–1	–1
Organic*, %	+2	–6
Total, %	**+3**	**–6**
2024, MSEK	**36 629**	**40 441**

* Volume, price and mix

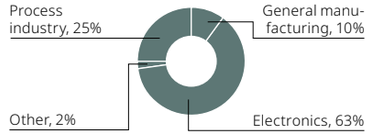
Orders received, revenues and operating margin



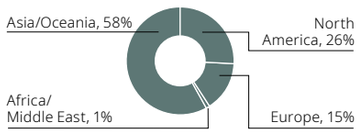
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Orders received by customer category



Revenues by region



Share of revenues



The market

Vacuum and abatement solutions are required in several applications where the pressure needs to be below atmospheric pressure and/or the environment needs to be clean.

The Vacuum Technique business area sells products, systems, and services across several targeted market sectors.

The market can be categorized into semiconductor, industrial vacuum and scientific vacuum. However, each of these sectors contain several sub-sectors and specific applications.

Vacuum products include a broad range of dry pumps, turbomolecular pumps and other vacuum pumps. These are used to create highly controlled, low-pressure, particle-free environments in a diverse set of manufacturing processes. Such processes include semiconductor, flat panel display, LED and solar, glass and optical coating, scientific instruments used in life science, research institutes focused on renewable energy, high-energy lasers, nanotechnology, pharmaceuticals, heat treatment, lithium-ion batteries, and food processing and packaging.

Abatement systems include stand-alone and customized solutions which integrate vacuum and exhaust management technologies. Abatement is required both to prevent adverse chemical reactions within production processes and to comply with strict regulatory emission controls. The business area also provides value-added services including equipment monitoring, field and on-site servicing, remanufacturing, service upgrades and provision of spare parts and oils.

Market trends

- Increased use of demanding materials and extreme working temperatures in processes for semiconductor and industrial production
- Focus on energy efficiency
- Stricter regulatory emission standards
- Increased demand for digitally supported service offers to increase process uptime
- Focus on total solutions and total life-cycle cost
- Focus on circularity

Demand drivers

- Industrial production
- Investments in manufacturing of semiconductors, research and development equipment, lithium-ion batteries, flat panel display and solar energy products
- Increase in vacuum requirements to support new production processes
- Demand for energy-efficient vacuum pumps
- Customers' equipment utilization

Vision and strategy

The vision is to be First in Mind—First in Choice for vacuum and abatement solutions. The strategy focuses on technology leadership, market leadership and agility, to support growth. This is done by focusing on product research and development programs together with deployment of highly innovative products and services. Continued execution of market leadership will be done by an organization focused on agility, growing market share in our traditional heartlands, new applications as well as further expansion of the geographical footprint.

Additionally, the business area has a strong focus on developing the service business and an efficient and flexible global operations footprint.

Strategic activities

- Increase market coverage and improve presence in targeted markets and segments
- Further focus on excellence in key account management
- Fast introduction of highly innovative products and services offering better value and improved energy efficiency
- Increase market penetration and coverage through brand portfolio management
- Perform more service on a higher share of the installed base of equipment
- Invest in service presence and production presence close to customers
- Increase organizations' agility and operational efficiency
- Invest in people and competence development
- Grow through strategically attractive acquisitions

Competition

Vacuum Technique's principal competitors are:

Semiconductor market:
DAS Environmental Expert, Ebara, Kashiyama, Pfeiffer Vacuum and Shimadzu Corporation.

Industrial and scientific market:
Ingersoll Rand, Pfeiffer Vacuum, and Busch.

Market position

A global market leader for vacuum and abatement solutions.

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Products and applications

The Vacuum Technique business area offers an extensive range of vacuum and abatement solutions to the market.

Oil-sealed rotary vane vacuum pumps
The latest generation of oil-sealed rotary vane pumps has been refined to produce a better quality of vacuum while extending the pressure range over which the pump can operate. They are used in a wide variety of industrial, and research and development applications.

Dry vacuum pumps
Dry pumps are oil-free pumping mechanisms to create vacuum environments. They use no lubricants within the pumping mechanism and have a series of available monitoring and control options. Dry pumps are used extensively in many semiconductor applications, as well as in industrial processes such as metallurgy, coating, drying, mobile applications and solar. They are also used in scientific instruments such as scanning electron microscopes.

Turbomolecular pumps
In turbomolecular pumps, or turbo pumps, a turbine rotor spins rapidly to create vacuum. The defining feature of a turbo pump is the high rotational speed. These pumps are typically used in conjunction with primary wet or dry pumps. They are commonly used in semiconductor applications, research and development, industrial applications, and high energy physics.

Liquid ring vacuum pumps
Liquid ring pumps are equipped with a fixed blade impeller. As the impeller rotates, the liquid forms a ring around the circumference of the casing. Standard liquid ring vacuum solutions are perfect for use in humid, dusty, and dirty environments commonly found in industrial processes, including food and beverage, mining, chemicals, oil, steel, cement, plastics and textiles.

Abatement and integrated systems
Abatement systems are used to manage gases and other process by products from dry pump exhaust. Abatement is required to prevent adverse chemical reactions within production processes and to comply with strict regulatory emission controls. Abatement and integrated systems are primarily used in semiconductor, flat panel display, solar and LED applications.

Cryogenic pumps
Cryogenic pumps create vacuum by condensing (freezing) gas onto special arrays of cryogenically cooled surfaces within the pump envelope. The temperature of the surfaces can be below 20K/–250°C to enable the capture of most gas species. Cryogenic pumps are used in a spectrum of high-technology research applications as well as in manufacturing of semiconductor, flat panel, and optical devices.

INNOVATIONS DURING 2024

Several new products were introduced during the year, including:

Polycold MC2200, the new chiller for industrial applications, offers high productivity, fast cooldown cycles, and up to 20% improved power efficiency compared to previous models.

Hydrogen Dilution (H2D-HPX), a new integrated vacuum and abatement system, was introduced. By diluting hydrogen from the production process, customers can benefit from lower energy consumption and a lower carbon footprint.

Warden System, a new integrated vacuum and abatement system for the semiconductor market, specifically designed for safe handling in hazardous production processes.

The **Leybold SOGEVAC SV55 BI² – SV70 BI²,** a new rotary vane pump for analytical applications, offers high energy efficiency and low noise level and is particularly designed for mass spectrometry applications.

Principal product development and manufacturing units are located in: The United States, Mexico, the United Kingdom, Czech Republic, Germany, South Korea, China and Japan.

Dry vacuum pump for industrial applications



Turbomolecular pump for the semiconductor and flat panel industry





Integrated abatement system used in the semiconductor industry

MANAGEMENT
Vacuum Technique, January 1, 2025



Business Area President Koen Lauwers



Vacuum Technique Service, President Eckart Roettger



Semiconductor Service, President Paul Neller



Semiconductor, President Martin Tollner



Semiconductor Chamber Solutions, President Tim Heger [1]



Scientific Vacuum, President Carl Brockmeyer



Industrial Vacuum, President Andries Desiron

[1] As of February 1, 2025

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Industrial Technique



Although the demand for service increased, the overall order intake decreased, primarily due to weaker demand for equipment from the automotive industry. The business area continued to invest in R&D, expanded its digital capabilities, and further strengthened its focus on supporting customers to automate their production processes. In total, four acquisitions were completed.

Market development

The overall demand for the business area's equipment and services weakened, especially in the second half of the year, driven by weaker equipment demand from the automotive industry. In total, the order intake decreased with 5% organically.

The service business continued to develop well, and order growth was achieved in all major regions.

Order volumes for industrial assembly and vision solutions to the automotive industry decreased. The reduced order volumes were primarily driven by lower investment levels among car manufacturers in Asia and Europe, but orders decreased also in North America.

The demand for industrial assembly and vision solutions to the general industry was mixed. Orders from customer segments such as aerospace and energy increased, whereas orders from several other segments decreased. In total, the order intake remained at the same level as previous year. Order volumes increased in the Americas and Europe, but decreased in Asia.

Market presence and organizational development

The business area remained focused on innovation and strengthened its product portfolio by introducing several new products to the market during the year.

The business area strengthened its capacity to deliver tangible customer value through service with a continued focus on developing and offering more connected products.

Market presence was further enhanced primarily through continued investments in digital initiatives aimed at strengthening online interaction with customers.

Through acquisitions (see the following section) and through own product development, the offering to support customers in automating their production was expanded. To improve internal efficiency and customer support, various activities were carried out where AI (artificial intelligence) capabilities were applied, including in areas such as finance, software development, technical documentation for customers, and sales support.

In order to adapt the organization to the challenging business climate, especially related to the automotive industry, some reorganizations were carried out, primarily within the business area's operations in Europe.

The business area remained focused on sustainability through various activities. Among other things, dedicated training for general managers, key R&D personnel, and divisional management was carried out. The training aims to deepen participants' understanding of the implications and opportunities with increased focus on sustainability and provide tangible tools for executing the divisional business strategies.

Major investments were made in new machinery in a production facility in Tierp, Sweden, and in a production and R&D facility in Shanghai, China.

The business area closed in total four acquisition in 2024:

- Swed-Weld AB, a Swedish provider of smart automated screw and nut feeding systems with focus on the automotive industry.
- Mont-Tech Ltd., a Czech engineering company offering customized engineering solutions for assembly automation.
- Air Way Automation Ltd, a US supplier of automated bolt feeding solutions to the automotive and general industries.
- VisionTools Bildanalyse Systeme GmbH, a German company that develops and sells integrated solutions for quality control in assembly lines.

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Revenues, profits and returns

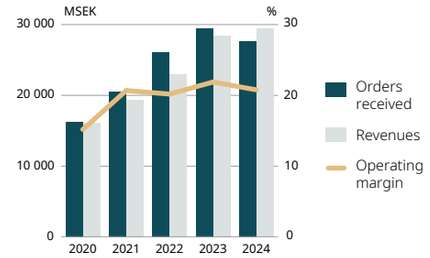
Revenues increased 4% to MSEK 29 522 (28 453), corresponding to a 5% organic increase. The operating profit decreased 2% to MSEK 6 066 (6 183), including items affecting comparability of MSEK –174 related to restructuring costs. The operating margin was 20.5% (21.7). The adjusted operating margin was 21.1% (21.7), negatively affected by an unfavorable sales mix and dilution from acquisitions. Return on capital employed was 21% (21).

Revenues, MSEK 2023: 28 453	**29 522**
Operating profit margin 2023: 21.7%	**20.5%**
Return on capital employed 2023: 21%	**21%**

Sales bridge	Orders received	Revenues
2023, MSEK	**29 497**	**28 453**
Structural change, %	+0	+0
Currency, %	–1	–1
Organic*, %	–5	+5
Total, %	**–6**	**+4**
2024, MSEK	**27 656**	**29 522**

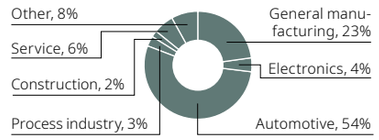
* Volume, price and mix

Orders received, revenues and operating margin

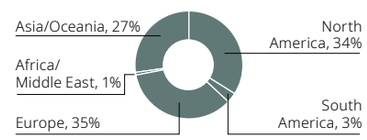


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Revenues by region



Share of revenues



The market

The global market for industrial power tools and assembly systems with related services has a large number of participants with a wide range of products in different applications such as assembly of parts, drilling and material removal. Customers are found in industries such as the automotive industry, off-highway vehicles, the electronics industry, aerospace, appliances, the energy sector, and general industrial manufacturing. In particular, the business area has been successful in developing advanced electric industrial tools and systems that assist customers in achieving fastening according to their specifications, enable automation and minimizing errors and interruptions in production.

With an increasing demand for electric vehicles, battery production, and a growing use of lighter materials, the automotive industry looks to innovative assembly solutions. The market demands new assembly technologies such as dispensing of adhesives and sealants, self-pierce riveting, and flow drill fastening.

The market for machine vision becomes increasingly important, driven by a growing demand for automation, quality control and productivity in industrial production. Machine vision solutions are used in discrete production, such as the automotive and electronics industry, and in continuous production processes, such as metal and paper production, advanced material manufacturing, and solar panels.

Market trends

- Automation in customers' production
- Digitalization and demand for connectivity in production
- Increased customer focus on reducing CO_2 emissions
- Customers' development of electric vehicles
- Higher requirements for productivity, flexibility and ergonomics, and increased demand for in-line quality control
- Increased focus on renewable energy and storage
- Use of light-weight material in transportation-related industries

Demand drivers

- Capital expenditure for automotive and general industrial production
- Customer investments in new production lines for new products
- Customer investments in more efficient production, e.g. quality assurance and flexible automation
- Increased production volumes at customers drive the need for service
- Investments in customer segments' contribution to transformation to a low-carbon society

Vision and strategy

The vision is to be First in Mind—First in Choice as a supplier of industrial power tools, joining and dispensing solutions, machine vision, and related services. The strategy is to continue to grow the business profitably by building on technological leadership and continuously offering products and services that improve customers' productivity, flexibility, quality, energy efficiency, safety, and ergonomics. Key strategic initiatives include adjusting the product offer to meet increased automation in customers' production processes, and providing additional service, know-how and training.

The business area is also increasing its presence in targeted geographical markets. The presence is enhanced by a brand portfolio strategy. The business area is actively looking at acquiring complementary businesses. Growth should be achieved in a way that is economically, environmentally and socially responsible.

Strategic activities

- Increase market coverage and operational footprint in targeted markets and segments
- Develop new innovative products and solutions, offering increased quality and productivity, and improved ergonomics
- Develop products helping customers to reduce their environmental impact
- Further increased focus on automation and digitalization, through connected products and solutions, to support customers' productivity and flexibility
- Increase the share of proactive services and the share of service on the installed base
- Increase operational efficiency
- Invest in people and competence development
- Acquire complementary businesses and integrate them successfully

Competition

Industrial Technique's principal competitors are:

Industrial tools business:
Apex Tool Group, Ingersoll Rand, ESTIC, and Bosch

Adhesive and sealant equipment:
Nordson, Graco, Viscotec, BD Tronic, and Dürr.

Self-pierce riveting:
Stanley Black & Decker, and Böllhoff.

Machine vision:
Zeiss, ISV, Coherix, Ametek, and Dr. Schenk.

Market position

A leading market position globally in most of its operations.

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Products and applications

The Industrial Technique business area offers the most extensive range of industrial power tools, assembly systems, and machine vision solutions on the market.

Industrial assembly tools and solutions

Advanced assembly tools and systems are used in the automotive industry and general industrial production such as aerospace, off-highway, and electronics. The business area provides a broad range of pneumatic, hydraulic and electric assembly tools, control systems, and associated software for safety-critical tightening. These systems generally allow customers to collect, record, and process assembly data in their production.

Self-pierce riveting, adhesive dispensing and flow drill fastening solutions

Self-pierce rivets, adhesives, and flow-drill fasteners are used in the automotive industry, driven by the increased use of light materials and batteries in car manufacturing. The business area offers self-pierce rivets and equipment, dispensing equipment for adhesives and sealants, and flow-drill fastening equipment.

Material removal tools, drills and other pneumatic products

Pneumatic and electric drills, industrial grinders, and percussive tools are used in several industrial applications, for example in metal fabrication and aerospace production. The business area also offers air infrastructure for optimization of pneumatic tools, and air motors that are used as drive units in various industries and applications.

Machine vision solutions

Machine vision is a key technology for industrial automation and digital manufacturing. The offer is focused on quality control of surfaces, inline meteorology and quality control, and 3D robot guidance. The combination of high-performance cameras, illumination, and vision and analytics software, allows customers in a broad range of industries to improve quality and automate production.

INNOVATIONS DURING 2024

Several new products were introduced during the year, including:

Avantguard, a new error-proofing solution for assembly processes, targeting automotive, off-highway, and energy customers. It manages factory workflows, provides operator guidance, and increases the quality of customers' production.

XB range, a new cordless range of nutrunners, supporting the air-to-electric transformation, primarily in the general industry. It helps customers increase production quality and efficiency through data reporting and operator feedback.

PAINTSCAN Compact, a new compact robot-guided vision sensor for quality assurance, supporting improved inline inspection of painted surfaces for the automotive industry.

A fully electric screw feeding solution, the **Desoutter eRapid.** The system offers complete control and traceability over the screw-feeding process.

Principal product development and manufacturing units are located in: Sweden, Germany, Hungary, the United Kingdom, France, China, Japan, and the United States.



Handheld battery tool for assembly applications



Self-pierce riveting system



Vision system for quality control

MANAGEMENT

Industrial Technique, January 1, 2025



Business Area President Henrik Elmin



Industrial Technique Service, President Oskar Sörensson



Motor Vehicle Industry Tools and Assembly Systems, President Lars Eklöf



General Industry Tools and Assembly Systems, President Håkan Andersson



Chicago Pneumatic Tools, President Ivo Maltir



Industrial Assembly Solutions, President Olaf Leonhardt



Machine Vision Solutions, President Berthold Peters

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Power Technique

The overall demand for products and services decreased, but the order intake increased thanks to increased demand for service and specialty rental solutions, and contributions from acquisitions. The business area strengthened its market presence and remained focused on innovation and connected products. Two new divisions were created, and seven acquisitions were completed during the year.

Market development

The overall demand for equipment, service, and specialty rental solutions decreased. However, thanks to contributions from recent acquisitions, the order intake increased.

The demand for specialty rental solutions increased, and in addition to increased organic order volumes, contributions from acquisitions supported the order growth. The order intake increased in all regions except North America, where orders were flat. The demand for service also increased with order growth in all regions.

Equipment orders decreased primarily due to weaker demand during the first half of the year.

Order volumes decreased for portable compressors and generators, driven by significantly weaker demand in North America. The demand for industrial pumps also decreased, but thanks to contributions from acquisitions, the order intake increased. Overall, equipment orders increased in Europe and Africa/Middle East, but decreased in North America and Asia.

Market presence and organizational development

The market presence increased in targeted markets and segments. Several new products were introduced to the market during the year. The sales organization was divided into smaller units in certain regions to enable a deeper focus on specific geographic areas and customers and improve market presence.

To better support the business area's customers and to further develop the service business, an uptime center was established to analyze data from connected products at customer locations, enhanced in part by AI (artificial intelligence).

The business area remained committed to supporting customers in their sustainability ambitions as well as to reducing its own environmental footprint. Examples of initiatives were the launch of a hybrid generator with built-in solar panel connection, the continued development of the energy-storage offer, and investments in solar energy and energy recovery in the business area's production facilities.

To be positioned for future growth and to increase focus on selected markets and applications, two new divisions were created during the year: the Portable Power and Flow division and the Industrial Flow division. The new divisions are operational since January 1, 2025.

During the year, investments were made in the business area's rental fleet, in a rental depot in Barcelona, Spain, and production facilities for portable compressors in Antwerp, Belgium, and in Wuxi, China.

The business area also increased its presence in targeted markets and customer segments through several acquisitions, see the following section.

The business area closed in total seven acquisitions in 2024:

- KRACHT GmbH, a German manufacturer of external gear pumps, fluid measurement, valves, hydraulic drives, and dosing systems.
- Delta Temp, a Belgian company that provides specialty rental solutions for industrial cooling applications.
- Generator Rental Services, a company in New Zealand providing specialty power rental solutions.
- Integrated Pump Rental, a specialty rental provider of dewatering solutions in South Africa.
- Pomac BV, a Dutch company which develops and manufactures hygienic pumps.
- Kinder-Janes Engineers Ltd, an industrial pump distributor in UK.
- Perslucht Wilda B.V., a compressor distributor headquartered in Netherlands.

For more information see page 110 or at www.atlascopcogroup.com.

Revenues, profits and returns

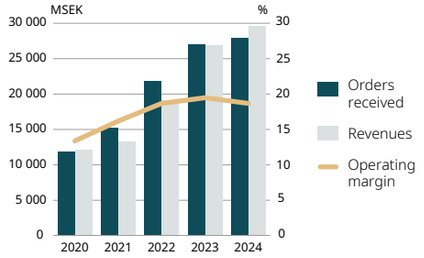
Revenues increased 10% to MSEK 29 622 (26 899), corresponding to a 2% organic increase. The operating profit increased 6% to a record MSEK 5 488 (5 191), corresponding to a margin of 18.5% (19.3). The lower margin was primarily due to negative effects from volume and dilution from acquisitions. Currency had no material effect on the operating margin. Return on capital employed was 18% (22).

Revenues, MSEK 2023: 26 899	**29 622**
Operating profit margin 2023: 19.3%	**18.5%**
Return on capital employed 2023: 22%	**18%**

Sales bridge	Orders received	Revenues
2023, MSEK	**26 940**	**26 899**
Structural change, %	+10	+9
Currency, %	–1	–1
Organic*, %	–6	+2
Total, %	**+3**	**+10**
2024, MSEK	**27 866**	**29 622**

* Volume, price and mix

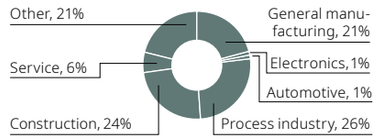
Orders received, revenues and operating margin



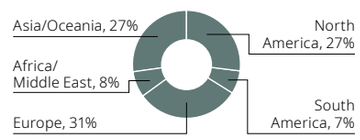
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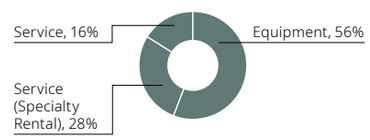
Orders received by customer category



Revenues by region



Share of revenues



The market

The market for portable air, power and flow, and industrial flow solutions includes a large number of participants offering a comprehensive product range for different applications. The Power Technique business area focuses on a selected number of applications.

Multiple segments are served by the business area's offerings. General and civil engineering contractors, often involved in infrastructure projects, demand light construction tools. Mobile compressors, generators, energy storage systems, light towers, and pumps provide reliable power for tools and applications in the construction sector. In addition, the business area focuses on several industrial flow applications through its metering and dosing pump product offer, and temporary air, power, flow, steam, and nitrogen are offered to the specialty rental market.

Market trends

- Higher requirements regarding productivity, flexibility, and ergonomics
- Increased customer focus on reducing CO_2 emissions
- Electrification of portable equipment
- Continued increased customer focus on safety
- Equipment connectivity
- Increased demand for service support/contracts

Demand drivers

- Infrastructure investments
- Investment in products that contribute to the transformation to a low-carbon society
- Industrial production
- Investment in industrial production facilities
- Emergency relief efforts
- Environmental regulations

Vision and strategy

The vision is to be the First in Mind—First in Choice provider of power and flow solutions for sustainable productivity.

The strategy is to grow by developing the market position and presence as a global supplier within portable compressors, pumps, generators, and industrial pumps, as well as light towers, along with a range of complementary, market specific, niche products, such as high-pressure boosters. The strategy also includes further development of specialty-rental services and of the service business; increasing revenues by offering more services to more customers. Growth should be achieved in a way that is economically, environmentally, and socially responsible.

Strategic activities

- Increase market coverage and improve presence in targeted markets/segments
- Develop new sustainable products and solutions offering enhanced productivity, safety and reduced environmental impact
- Invest in design, development and production capacity in growth markets
- Develop more competitive offerings with different value propositions
- Perform more service on a higher share of the installed base of machines
- Develop the service business
- Increase operational efficiency
- Invest in employees and competence development
- Acquire complementary businesses and integrate them successfully

Competition

Power Technique's principal competitors include:

The portable power market:
Doosan, Generac, Kaeser, and Sullair. In addition, there are a large number of local and regional competitors.

The industrial pump market:
Milton Roy, and Bran+Luebbe

Market position

A leading market position globally in most of its operations.

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Products and applications

The Power Technique business area offers a range of products across multiple industries including, industrial manufacturing, civil engineering, demolition, and exploration drilling.

Industrial flow
Positive displacement electric pumps are used in a broad range of different industries.

Portable power
Portable generators fulfill a temporary need for electricity, primarily in construction applications. Other common applications are power supply for events, emergency power and power in remote locations. Lighting towers provide light for safe operations 24/7.

Portable flow
Portable electric and diesel-driven pumps as well as submersible electric pumps, primarily for water.

Portable air
Portable oil-injected compressors are primarily used in construction applications where compressed air is used as a power source for equipment, such as pneumatic breakers and rock drills. Portable oil-free compressors are rented by customers to meet a temporary need for oil-free air, primarily in industrial applications. Electric portable air compressors generate less noise than compressors with combustion engines and are ideal for low-noise and emission zones or indoor applications.

Construction and demolition tools
Hydraulic, pneumatic, and gasoline-powered breakers and drills used in construction, demolition and mining businesses.

Principal product development and manufacturing units are located in: Belgium, Germany, Spain, the United States, China, and India.

INNOVATIONS DURING 2024

Several new products were introduced during the year, including:

CPS 1600-150, a new portable compressor, primarily for the North American market, with a compact, lightweight, and robust design, offers high fuel efficiency compared to similar products.

ZBP 120-120, a new medium-sized energy storage system, enables the creation of microgrids at infrastructure construction sites and can support hybrid power plants. It is designed for a harsh environment and can be recharged within an hour.

New range of surface dewatering pumps with connectivity capabilities, designed to pump liquids with high pressure and flow, and perform in the harshest environment.

A new diaphragm process pump was introduced, the **LEWA triplex G3E,** specially designed for high-pressure applications and requires 30% less space requirements than comparable products.



Diaphragm metering pump for industrial use



Portable pump



Portable electric compressor

MANAGEMENT
Power Technique, January 1, 2025



Business Area President Andrew Walker



Power Technique Service, President Stefaan Vertriest



Specialty Rental, President Tim Last



Portable Air, President Bert Derom



Portable Power and Flow, President Marco Gravina



Industrial Flow, President Mikael Andersson

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Our approach to creating lasting value

Sustainability is a central part of Atlas Copco Group's mission and strategic direction. We are committed to contributing to a sustainable development and our technologies enable the transformation to a low-carbon society.

By managing our environmental and social impact, and by acting in an ethical way in all our business relationships, we strive to create value for our stakeholders and to society as a whole.

We focus our efforts to the areas where we have identified our largest actual and potential impact and where we see significant risks or opportunities. Allocating resources and working systematically in these areas help us reach our mission of achieving sustainable, profitable growth.

This sustainability report has been prepared in accordance with GRI Standards.



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BASIS FOR PREPARATION

Sustainability aspects are integrated in Atlas Copco Group's way of operating. We therefore report financial and sustainability data annually in an integrated report. Our ambition is to present the Group's actual and potential impacts, risks and opportunities and how we manage them, in a comprehensive and transparent way.

Reporting directives, regulations and frameworks

Atlas Copco Group's sustainability report is prepared in accordance with the requirements in the Swedish Annual Accounts Act.

Prepared in accordance with GRI Standards

The 2024 sustainability report has been prepared in accordance with the requirements in the GRI Standards and applies to the period January 1, 2024, through December 31, 2024, which is in line with the Group's financial reporting. This report was published on March 20, 2025 and has been approved by the Board of Directors.

Preparations for new reporting directives

Atlas Copco Group will be subject to the EU Corporate Sustainability Reporting Directive (CSRD) and will, in accordance with the Swedish Annual Accounts Act, report according to the European Sustainability Reporting Standards (ESRS) starting from the 2025 financial year. In preparation of the new requirements, the Group conducted a double materiality assessment (DMA) in 2023, which was updated and validated in 2024. The outcome and the identified material sustainability topics form the basis of the 2024 year report.

Scope of consolidation

The sustainability report covers Atlas Copco Group, including all units that are consolidated in the Group's financial statements, see pages 156–158. Information relating to business relationships, including the Group's upstream and downstream value chain, is included throughout the report, and clearly identified as such.

Operations divested during the year are excluded, while acquired units are gradually included according to the Group's internal reporting guidelines. This may at times cause changes in reported performance.

The environmental data covers all operations unless otherwise stated. Supplier data covers production units and distribution centers, while distributor data covers all applicable units. Employee-related data covers all operations.

Data collection and verification

Sustainability data is integrated into the Group reporting and consolidation systems and is collected on a monthly or quarterly basis. Reported facts and figures in the sustainability report are verified in accordance with the Group's procedures for internal control. Read more in the section Internal control of financial and sustainability reporting, on pages 98–99.

Most sustainability data is monitored and reported at local operating unit level and aggregated to division/business area and Group level. Certain science-based target categories, taxonomy revenue and project data are reported at division level. Data verification is done at each level before submitted to external auditors.

Estimations, assumptions and restatements

We make estimates and assumptions regarding certain information and data, for example regarding greenhouse gas (GHG) emissions in the value chain. Such estimates are in some cases based on second-hand sources and may result in an increased level of uncertainty. We provide information on these estimates and assumptions in connection with the respective data.

Reported values are normally not corrected retroactively. When a restatement of historically reported numbers is made, this can be due to a change of calculation method or scope. If adjustments have been made compared to previous years, this is clearly indicated alongside the respective disclosure.

Changes in the reporting

In 2024, Atlas Copco Group has made alignments to the sustainability report to prepare for reporting in accordance with ESRS from 2025 forward, including changing the report's structure and using the principles of a double materiality assessment.

The content of the report is based on the preliminary conclusions of the double materiality assessment (DMA), see more details on pages 40–41. Among the main changes compared to previous year's report are:

- Additional information related to our workforce. Data is reported in headcount in addition to, or instead of, FTE.
- Further information related to the safety of end-users and to the Group's resource use and circular economy work.
- Waste data is presented in more detail per category since waste has been assessed as material.
- Energy consumption now includes company vehicles.

Some disclosures that in the DMA were assessed to be below the threshold for materiality have been included under the heading Additional information at the end of the Environmental information, as the disclosures are requested by certain stakeholders or ESG rating institutes. This includes disclosures related to water and energy used in own operations, biodiversity, and substances of concern.

External assurance

Atlas Copco AB's external auditors, Ernst & Young, have performed a limited review of the sustainability report according to the GRI Standards, see the Auditor's report on page 81.

Contact point

For questions about the sustainability report, please contact:
Anna Sjörén, Vice President Sustainability
sustainability@atlascopco.com

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SUSTAINABILITY GOVERNANCE

Sustainability governance structure and responsibilities

The Board of Directors

The Board of Directors has the overarching responsibility for overseeing Atlas Copco Group's strategic direction, including plans and targets to ensure that we reach our mission of achieving sustainable, profitable growth. The Board oversees major capital expenditures, acquisitions and divestments, and considers sustainability-related risks in these processes. The Board of Directors is also the owner of the Group's Code of Conduct which is the governing document for how all employees, including the Board itself, should act towards all stakeholders.

The Board of Directors receives quarterly updates by the President and CEO on the Group's progress in relation to selected sustainability targets, such as diversity and science-based emissions reduction targets. The Board is also, together with Group Management, responsible for the preparation, review and approval of the Group's annual sustainability report, which covers material impacts, risks and opportunities, and sustainability-related performance.

For further details about the Board of Directors, its committees and responsibilities, composition, and Board members experience, see the Corporate governance report on pages 90–93.

Group Management

Each member of Group Management is responsible for the implementation and follow-up of the Group's strategy and targets, although the President and CEO has the ultimate responsibility. Progress in relation to selected targets is part of the variable compensation for members of Group Management as well as for other employees, see page 35. The Vice President Sustainability is responsible for coordinating the Group's sustainability work and reports to the SVP Chief Communications Officer, who is a member of Group Management.

Group functions, councils and boards

At Group level, a sustainability team provides coordination and support to the entire organization, in close collaboration with Safety, Health, Environment and Quality (SHEQ) representatives and sustainability representatives in each business area.

The Group's SHEQ council is chaired by a division president and consists of the business area SHEQ managers and sustainability representatives, the Vice President Sustainability, and representatives for HR, Holding and Controlling. The SHEQ council comes together each quarter to discuss actions, policies and guidelines to support the organization in reaching set ambitions.

The Group's Compliance Board oversees the implementation and compliance with the Code of Conduct. It includes two members of Group Management: the SVP Chief Legal Officer and the SVP Chief Communications Officer, the Vice President Sustainability, Corporate Counsel Compliance, and Holding representatives. The compliance board also addresses training needs, risk assessments and action points related to the implementation of the UN Guiding Principles.

The Group's Sustainability Reporting and Disclosure council is responsible for overseeing the development in the sustainability reporting landscape and ensuring that the Group's reporting is in compliance with applicable directives, standards and regulations. The council is chaired by the Vice President Sustainability and it includes representatives from relevant Group functions, as well as business area sustainability representatives and sustainability controllers. The council reports regularly to a steering committee consisting of the SVP Chief Financial Officer, SVP Chief Communications Officer, SVP Chief Legal Officer, SVP Chief Human Resources Officer and Vice President Investor Relations.

Business areas and divisions

Following the Group's decentralized organizational structure, implementation and execution of strategies takes place in the divisions, which are separate operational units. The business areas and divisions set quantified targets for delivering on the Group targets. The divisional presidents and general managers are responsible for ensuring that targets are set as a part of the three-year plan, and that progress is followed up and reported to the Group.

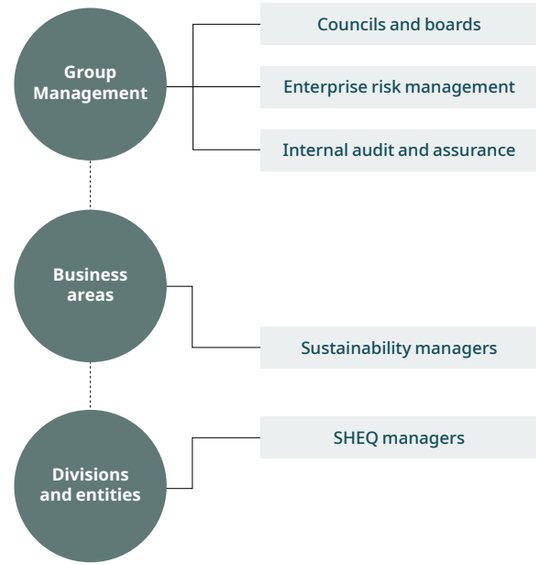
Sustainability managers coordinate the efforts at business area level, while Safety, Health, Environment and Quality (SHEQ) managers support the work in the operational entities and divisions.

Sustainability-related training and expertise

To keep informed on the development in areas relevant to the industry and the company in particular, members of the Board and Group Management engage with different experts and thought leaders. Internal subject matter experts are also an important source of knowledge transfer.

Board members have participated in the Group's climate awareness training, which was launched in 2023. In 2024, the Board was included in the Code of Conduct compliance statement process. They were also invited to participate in our new circularity awareness training. A part of the Group's annual executive seminar was also dedicated to different sustainability-related matters, from geopolitics to ESG reporting.

Sustainability governance structure



Enterprise risk management (ERM)

Sustainability-related risks are included in the Group's ERM framework as well as in the overall risk assessment process which is conducted annually on divisional level. The results are aggregated at

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business area and Group level. Results from risk assessments performed by the Group's holding companies and by corporate functions are provided as insights to the divisions when they evaluate their key risks. Workshops have for instance been conducted in respect of climate change, human rights and compliance risks. An overview of the Group's key risks, including the most significant sustainability-related risks, is described in the section Risks, risk management and opportunities on pages 82–87.

Sustainability-related performance in incentive schemes

The variable compensation is limited to a maximum of 80% of the base salary for the President and CEO, 60% for Business Area Presidents, and 50% for other members of Group Management. Variable compensation is linked to predetermined and measurable criteria which can be financial or non-financial. Reducing the Group's greenhouse gas emissions in line with the Group's science-based targets is among the non-financial criteria. The guidelines for executive remuneration in Atlas Copco Group are reviewed annually by the Board of Directors and presented to the annual general meeting for approval at least every four years. For more information on the guidelines for remuneration, see page 119–120 and the Group's remuneration report.

Sustainability reporting risks and internal controls

Atlas Copco Group's sustainability reporting falls under the same internal control processes as financial reporting, including a regular assessment of risks related to the reporting process. The audit and control processes and procedures are described in the section Internal control over financial and sustainability reporting, see pages 98–99.

The main risks relate to incomplete or inconsistent reporting, and to the accuracy of data, due to for example reporting errors or estimations, and the availability of upstream and/or downstream value chain data. We regularly provide training to relevant employees on reporting guidelines and processes, as well as information about changes and identified weaknesses and risks. We also work continuously to improve data quality and accuracy. As an example, environmental data is compared to costs as a way to identify unusual variations. Certain controls are also in place to ensure logic in data entry. To further strengthen the governance around our reporting and disclosure, we formed a new Sustainability Reporting and Disclosure Council in 2022.

The Group's external auditors provide limited assurance of the sustainability statement. The assurance process is risk based, and the auditors provide feedback on their risk assessment. The assurance activities performed by the external auditors are described in the assurance report on page 81.

Sustainability policies, guidelines and standards

Code of Conduct

The Code of Conduct is the Group's central guiding policy which sets clear requirements for ethical business conduct that incorporate integrity, fairness and respect in all operations. All employees, business partners, and the Board of Directors are expected to adhere to the principles in the Code. In cases where the Code of Conduct is stronger than local laws and regulations, the Code should apply. The Code of Conduct is based on the following international standards:

- United Nations International Bill of Human Rights
- The ILO Declaration on Fundamental Principles and Rights at Work
- The United Nations Global Compact
- The OECD Guidelines for Multinational Enterprises
- UN Guiding Principles for Business and Human Rights

The Board of Directors is the owner of the Group's Code of Conduct and reviews it regularly. Its content has been updated in recent years, with topics including modern slavery, risk management, circularity, data protection and privacy.

All employees are required to complete a leader-led ethics training every two years, which is based on ethical dilemmas. They also need to annually sign a Code of Conduct compliance statement, a process which includes a shorter online version of the classroom training. The Code of Conduct has been translated into more than 30 languages and is available on the Group's website.

Complementing policies and guidelines

The Code of Conduct is supported and complemented by other Group policies and guidelines, such as:



- *SHEQ policy:* the global Safety, Health, Environment and Quality policy ensures robust standards for the safety and well-being of our employees and others affected by our operations, as well as an environmental and quality perspective on technologies, products and services. The policy applies to all employees in the Group and is available through the internal handbook *The Way We Do Things* and on our website. The President and CEO has the overall responsibility of the policy, while divisional presidents are responsible for its implementation. The policy is reviewed regularly by the SHEQ council and signed by the President and CEO.
- *Human Rights Statement:* expands on the Group's commitment to respect and support human rights and defines procedures to ensure compliance throughout the Group's operations.
- *Business Partner Criteria:* significant business partners must commit to following the Group's Code of Conduct by signing the Business Partner Criteria document which states the Group's expectations regarding business ethics, social, safety, health and environmental performance.

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Management system standards

Atlas Copco Group strives for all major operating units to be triple-certified according to the management system standards ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety). All business areas operate under triple certificates supported by common management systems covering a majority of the entities belonging to the business area.

All production units with more than 20 employees, and customer centers and rental companies with more than 70 employees, are to be triple certified according to these standards. See the table for the ISO management system certifications held by units that are required to be certified and by all Group units. Some of the non-certified units are acquisitions within the two-year timeframe to comply, or newly restructured units. Some units which are not yet triple-certified are in the process of becoming so, and a smaller portion has so far not had the resources required to commit to a triple certification.

Operating units[1] with management system standards, %	ISO 9001	ISO 14001	ISO 45001	Triple certification
Units required to be certified				
Certified units	87	79	76	75
Total workforce covered by certification	94	90	86	86
All production and distribution units				
Certified units	79	66	62	61
Total workforce covered by certification	93	86	80	80
All units				
Certified units	68	61	58	58
Total workforce covered by certification	89	85	82	81
Employees covered by certification	89	85	82	81
Additional workforce covered by certification	89	83	81	81

[1] Including acquisitions.

Statement on sustainability due diligence

Sustainability due diligence is the process whereby we identify, prevent, mitigate and report actual and potential negative impacts on the environment and people as a consequence of the Group's activities. Requirements for sustainability due diligence and risk management are integrated in our processes and procedures through the Group's policies and guidelines, such as our Code of Conduct, human rights statement, and SHEQ policy.

The Group's due diligence practices are guided and inspired by relevant frameworks such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such due diligence is conducted through a combination of desktop exercises, and through direct and indirect dialogues with our stakeholders.

The sections on each material sustainability topic provides an overview of our risk assessment and due diligence processes in relation to the specific topic, our identified adverse impacts and actions taken to address them, and the results of these efforts.

The table to the right indicates where in our sustainability statement we describe our due diligence process, including how the main aspects and steps of the process are applied.

Core elements of due diligence	Pages in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	Pages 34–35
b) Engaging with affected stakeholders in all key steps of the due diligence	Pages 39, 60, 68, 69, 73
c) Identifying and assessing adverse impacts	Pages 40–41, 44, 60, 63, 73
d) Taking actions to address those adverse impacts	Pages 45–46, 49–50, 61–63, 68–69, 73
e) Tracking the effectiveness of these efforts and communicating	Pages 45, 49–50, 60–64, 68–69, 71

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STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Sustainable, profitable growth

Atlas Copco Group's mission is sustainable, profitable growth. We aim to continuously deliver growth with a positive impact on society, while promoting diversity and inclusion and reducing our environmental impact. We also consider the perspectives of our various stakeholders in our value creation. Our purpose is to develop ideas and technologies that enable our customers to grow and drive society forward.

The Group's business areas offer a wide range of products and services for different end markets and applications. This includes compressed air and gas solutions, vacuum solutions, energy solutions, dewatering and industrial pumps, industrial power tools, and assembly and machine vision solutions. For more information about our products, markets and customer segments, see page 2 and the business area sections on pages 19–31.

Being at the forefront of technology and developing solutions that create value for our customers and society has always been the foundation of Atlas Copco Group's operations, and continues to be so. In recent years we have directed increased resources into developing technologies and solutions that enable the transformation to a low-carbon society.

Our ambition is to offer the most energy-efficient products and technology for each application. We strive to match the requirements and needs of our customers and their ambitions to reduce their climate impact. We have also identified significant business opportunities in new segments connected to society's need for new sources of energy, new modes of transportation and automation. For example, through partnering with our customers, we contribute in the development of energy storage solutions and products used in the production of renewable energy, such as solar panels, wind turbines, carbon capture and hydrogen handling. We remain committed to reducing the climate impact of our own operations and of our products.

Business model

Innovating for a positive impact

At Atlas Copco Group, innovation is fundamental to continually delivering value to our customers and society, and thus to our business success. Products are designed internally, with a life cycle approach, and research and development expenditures correspond to about 4% of the Group's revenues. Through leading technologies, we aim to develop new products and solutions that are critical to our customers' operations and improve productivity to support their success.

Outsourced production and resource efficiency

Manufacturing of components that are critical to our equipment's performance and assembly of equipment are generally carried out in our own facilities. For other components, we leverage the capacity and competence of our business partners. Purchased components account for a majority ot the product cost.

We continuously strive for improved operational efficiency and in order to optimize production flows, the assembly is typically lean, and the final product is generally shipped directly to the end user. With a focus on responsible use of resources – human, natural and capital – we create value for customers, employees, business partners, shareholders, and for society.

Sales and service

Equipment sales generate about 63% of Group revenues, and manufacturing and logistics are organized in a flexible way so that we can adapt quickly to changes in demand.

Service represents 37% of our revenues and is the responsibility of dedicated divisions in each business area. Our service offering includes the development of service products, technical support and maintenance, in many cases supported by data analysis from connected equipment. We seek to perform more service on a higher share of the installed base of equipment and through our strong service offering, we support customers in getting the most value out of their investments. This helps us build close customer relationships, while increasing resource efficiency through extending the durability of products and solutions.

For more information on how we do business and create value for different stakeholders, see pages 5–11.

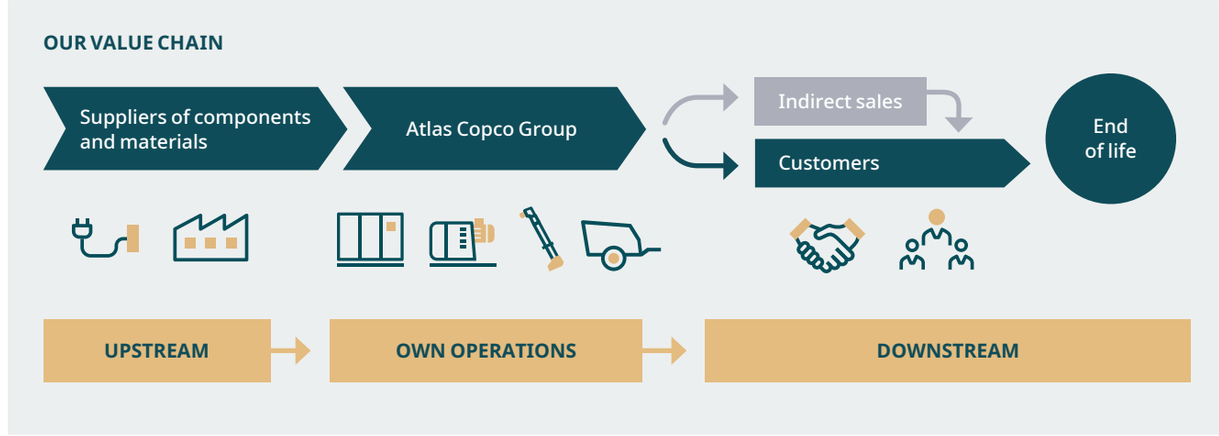


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Our value chain

An assessment of our value chain has been conducted as part of the double materiality assessment, covering upstream and downstream activities, and our own operations. We work actively to maximize positive and minimize negative impacts along the value chain, as well as to reduce risks and take advantage of opportunities. Collaboration with business partners and other stakeholders is essential in this work.



Upstream value chain

Atlas Copco Group has a large supplier base and purchased components account for a majority of the product cost. A significant part of our impact from processing of raw materials for our products therefore originates from the upstream value chain. Our choice of suppliers is therefore of great importance to our impact from a social and environmental perspective. Nearly half of our suppliers are based in Europe, a significant part in Asia/Oceania, and the remainder are located in North America and South America. The risks in these geographic markets vary greatly, in terms of human rights, including working conditions and freedom of association, as well as environmental protection. Through responsible purchasing processes and collaboration with suppliers we strive to have a positive impact for workers in the value chain and to promote better standards in society. Climate change can pose risks for suppliers in some regions and lead to disruptions in the supply chain. Read more in the topical sections Climate change on page 44, Workers in the value chain on page 68, and Relationships with suppliers on page 73.

Own operations

The Group has an outsourced production model. This means that we mainly manufacture key components and assemble equipment in our own production facilities, which are located in Europe, Asia/Oceania, and the Americas, close to our customers. However, some raw materials are purchased and processed in our own operations.

Our products are designed in-house with a life cycle perspective aiming at reducing the environmental impact while offering other tangible customer values and benefits from a sustainability perspective. We have assessed that the environmental impact of these activities are relatively low compared to those that take place downstream and upstream the value chain.

In 2024 we had more than 55 000 employees in 73 countries at year end. Almost half of our employees work in marketing, sales or service. As an employer, we have a significant impact on our workforce, for example in terms of occupational health and safety, and opportunities for growth and development, see pages 60–67.

Downstream value chain

Atlas Copco Group has a global reach with sales in around 180 countries and a very diverse customer base. Sales and service mainly take place directly but also indirectly, via distributors. More than 95% of the greenhouse gas emissions along our value chain are generated when our customers use our products, and we see great opportunity in continuously developing products that are more energy efficient, as well as in the electrification of products. To further reduce the impact and increase circularity, we design our products with a life cycle perspective, which includes end of life. Through our service offering we also ensure the repair, maintenance and reuse of products, extending their useful life and minimizing waste.



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Interests and views of stakeholders

As a global group, it is vital to ensure accountability for our actual and potential impact on the economy, environment and people. The Group continually and systematically engages with stakeholders, internal as well as external, on material sustainability matters. This engagement typically involves Group functions such as the sustainability, investor relations and media relations teams, and functions at business area/divisonal level. Due to the decentralized structure of the Group, the local dialogue and collaboration that takes place through our local units and holding companies is also central to our stakeholder engagement.

Our stakeholder engagement helps us understand, prioritize and manage the sustainability-related impacts, risks and opportunities of our organization and of our business relationships along the value chain. The dialogues are also crucial to proactively identify stakeholders' perspectives, concerns and expectations.

The insights we gain from our stakeholder engagement are communicated to affected internal stakeholders and inform our decision-making processes to help strengthen our strategy and improve our response. This includes, for example, updates to Group policies and guidelines, new trainings for employees, product improvements, and risk-mitigation measures. In 2023 and 2024, the insights also served to inform our preliminary double materiality assessment (DMA), see pages 40–41 for more details. The DMA, including stakeholder input, was also an important starting point for our work on formulating updated Group sustainability targets, for the years 2025–2027, see page 42.

Our methods of engagement with key stakeholder groups, and the key topics and concerns raised by them are summarized in the table on this page.

For additional information on the Group's stakeholder engagement, see the chapters Own workforce and Workers in the value chain.



Stakeholder group	Methods of engagement	Key topics and expectations
Customers	• Customer visits • Customer events • Customer satisfaction surveys and interviews	• Product safety • Product innovation • Product carbon impact • Product resource-efficiency and circularity
Employees	• Yearly performance and development dialogues • Regular training and coaching • Employee surveys • Work councils • Employee representation on the Board	• Occupational health and safety • Diversity and inclusion • Working conditions • Training and skills development • Compensation and benefits
Shareholders and financial market participants	• Capital market days • Roadshows, conferences, meetings and calls • Annual general meeting • Financial reports and presentations	• Growth and profitability • Risks and opportunities management • Climate and environmental impact • Ethical business conduct • Diversity and gender balance • Corporate governance
Society	• Participation in international collaborations and industry initiatives • Local engagement through companies and regional Holding companies • Surveys and interviews • Interviews, meetings and calls with media	• Climate and environmental impact • Compliance with social and environmental regulations • Human rights • Labor market issues
Business partners	• Strategic collaborations • Regular on-site meetings • On-site evaluations and supplier audits • Surveys and interviews	• Occupational health and safety • Human rights and labor conditions • Ethical business conduct • Climate and environmental impact

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IMPACTS, RISKS AND OPPORTUNITIES

About the double materiality assessment

In 2023, Atlas Copco Group initiated a voluntary double materiality assessment (DMA) in order to determine the Group's material impacts, risks and opportunities in relation to sustainability matters. The initial assessment was done with the support of an independent consultancy and in accordance with the requirements of ESRS. The work continued in 2024, including a review of the results and further validation with internal stakeholders.

Double materiality approach

The assessment followed the ESRS principles of double materiality, according to which a sustainability matter is deemed material out of one or both of the following perspectives:

Impact materiality – the Group's actual or potential impact on people and/or the environment through our own operations and business relationships; and/or

Financial materiality – sustainability-related risks and opportunities that may affect the Group's cash flows, development, business performance, position, cost of capital or access to finance.

Double materiality assessment process

The double materiality assessment was conducted in six steps:

1. Identification of gross list of ESG topics

Based on the gross list of sustainability matters and topics, provided in the draft ESRS 1 General Requirements, an initial assessment was conducted of each topic in relation to Atlas Copco Group. This included the Group's business activities, locations, sector and value chain. Other sustainability issues, that are not covered by the ESRS but could potentially be material for the Group, were also addressed.

2. Stakeholder dialogues and review of processes

In order to ensure that the assessment was aligned with existing processes and stakeholder dialogues, processes and documents were reviewed, and interviews were conducted involving a broad representation of internal subject-matter experts and functions. These included Investor Relations, Group Risk Management and Insurance, the Group Purchasing Council, and business area sustainability representatives. Employee perspectives were obtained via employee representatives and the HR function, and from *Insight*, the Group's employee survey. Insights on customer perspectives and market conditions were provided by the business areas.

Social impacts – Impacts related to human rights were mapped through the enterprise risk management process and internal documentation. Other social impacts, such as those related to own workforce, were mapped through internal documentation and processes as well as ongoing stakeholder dialogue through established channels.

Environmental impacts – Environmental impacts, such as those related to GHG emissions and other climate-related risks, as well as pollution and water, were mapped through documentation and insight provided by the business areas, as well as ongoing climate-related work and stakeholder dialogue through established channels. Other environmental impacts were mapped using the above mentioned processes and methodologies as well as through an initial internal biodiversity impact assessment. Environmental impacts from resource use and circular economy were mapped through the environmental management system for the Group's business activities, and existing circularity work, including internal interviews.

Environmental risks and opportunities – Climate-related physical and transition risks and opportunities were mapped through the enterprise risk management process and a global warming scenario analysis, following the recommendations of TCFD. Other environmental risks and opportunities, such as those regarding pollution, resource use and circular economy, were mapped through the enterprise risk management process, insights and documentation from business areas, as well as ongoing stakeholder dialogue through established channels and existing circularity work.

Identified impacts, risks and opportunities in the aforementioned processes were mapped against the correlating sustainability topic in the ESRS list of topics and sub-topics.

The existing assessment methods were merged with the methods outlined in the adopted ESRS and used in the impact and financial materiality assessments. The mapped impacts, risks and opportunities were identified over the short-, medium- and long-term time horizons defined in ESRS as well as to where in the value chain they are concentrated and the affected stakeholder.

Business conduct-related impacts, risks and opportunities – Impacts, risks and opportunities in relation to business conduct matters were mapped based on conclusions from Atlas Copco Group's existing stakeholder dialogues, internal documentation and desktop review. It also involved a mapping of geographic areas with elevated potential impacts or risks associated with corruption and bribery.

DOUBLE MATERIALITY ASSESSMENT PROCESS



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3. Impact materiality assessment
After mapping the Group's positive and negative, actual and potential impacts on people and the environment, the impacts were scored and prioritized. Negative impacts were scored based on severity, a combination of scale, scope and remediability, and likelihood. Severity was prioritized over likelihood for negative impacts on human rights. Positive impacts were scored based on their scale, scope and likelihood.

Appropriate thresholds were established based on the quantitative assessment and existing processes. We used the same categorization and grading as in the enterprise risk management process, that is, low, medium, high and extreme. Impacts that received a score of high or extreme were deemed as material.

4. Financial materiality assessment
After mapping sustainability risks and opportunities for the Group, the respective potential financial effects were assessed based on their size and likelihood of occurring. The scoring was aligned with the existing enterprise risk management process, that is, low, medium, high and extreme. Appropriate thresholds were established based on the quantitative assessment and existing processes. Risks and opportunities that received a score of high or extreme were deemed as material.



5. Review and preliminary approval
The preliminary results of the double materiality assessment were reviewed and validated by representatives from the Group's SHEQ council and the DMA project Steering committee. It was also approved by the business area management teams and Group Management.

6. Validation and final approval
Fully understanding Atlas Copco Group's impacts, risks and opportunities associated with various sustainability topics is a complex process. Therefore, in 2024, we have continued the work that started in 2023, and reviewed the results of the initial assessment, including further calibration and validation involving internal subject-matter experts and stakeholders.

During the year, we have taken several steps to gain more knowledge so that we can make informed decisions, including a continuation of a biodiversity impact assessment that started in 2023 and a country specific human rights assessment. We have also further developed our processes related to physical climate risk exposure and water scarcity.

As part of the review we have further assessed some of the identified potential positive impacts. Here, we have chosen to adopt a cautious approach to make sure that we do not categorize our measures to mitigate negative impacts as a positive impact. We have also been cautious when it comes to identifying opportunities as the financial effects of such are difficult to quantify.

The materiality assessment process and the results have been presented to and approved by the Board.

Moving forward, we will continue to gather more information and follow up on a number of topics that are close to the threshold of being material. This is an ongoing process and the results of the double materiality assessment will be reviewed annually and is subject to changes and updates.

Outcome of the double materiality assessment
As a result of the double materiality assessment process, we identified the material sustainability-related topics listed in the table below. A summary of the identified material impacts, risks and opportunities, and where they occur in the value chain, is presented in the respective topical chapter, together with corresponding disclosures on our commitments, policies, actions and targets.

Environment	
Climate change	• Climate change mitigation • Energy
Resource use and circular economy	• Resource inflows, including resource use • Resource outflows related to products and services • Waste
Social	
Own workforce	• Working conditions • Equal treatment and opportunities for all
Workers in the value chain	• Working conditions • Equal treatment and opportunities for all • Other work-related rights
Consumers and end-users	• Personal safety of consumers and/or end-users
Governance	
Business conduct	• Corporate culture • Management of relationships with suppliers • Corruption and bribery

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UPDATED SUSTAINABILITY TARGETS FROM 2025

We regularly review our Group sustainability targets to make sure that our priorities are aligned with our most material sustainability matters and stakeholders' expectations. In 2024, we presented updated targets for the years 2025–2027.

The review of the sustainability targets carried out in 2024 was based on our insights from the double materiality assessment (DMA) in 2023. In the process, some of our current targets have been reformulated or discontinued.

Inclusive target setting process

Understanding our stakeholders' expectations about how we as a Group should manage our impact, risks and opportunities linked to our material sustainability matters was the starting point in the sustainability target review.

Internally, we conducted a survey with the Group's subject matter experts and representatives from relevant functions. The perspective and opinions of the Group's employees were also obtained from interviews conducted during the DMA.

The perspectives of external stakeholders, such as suppliers, customers and distributors, were gained through several internal workshops with the Group's functional representatives, councils and boards, for example the purchasing council and market councils. The Investor Relations department was also an important source of information.

The above mentioned methods were complemented by desktop studies of relevant industry reports and country analyses, as well as a review of the regulatory landscape.

The updated targets were approved in turn by the business area management teams, the executive committee meeting and finally by the Board of Directors.

[1] Significant direct material suppliers are all external suppliers of goods, with a purchasing value above a set threshold, based on 12-month values from October previous year to September current year. For suppliers in countries with heightened risk for human rights violations, environmental risks or corruption etc., the purchasing threshold is lower (approximately 13% of set value).

Reflecting the Group's raised ambitions

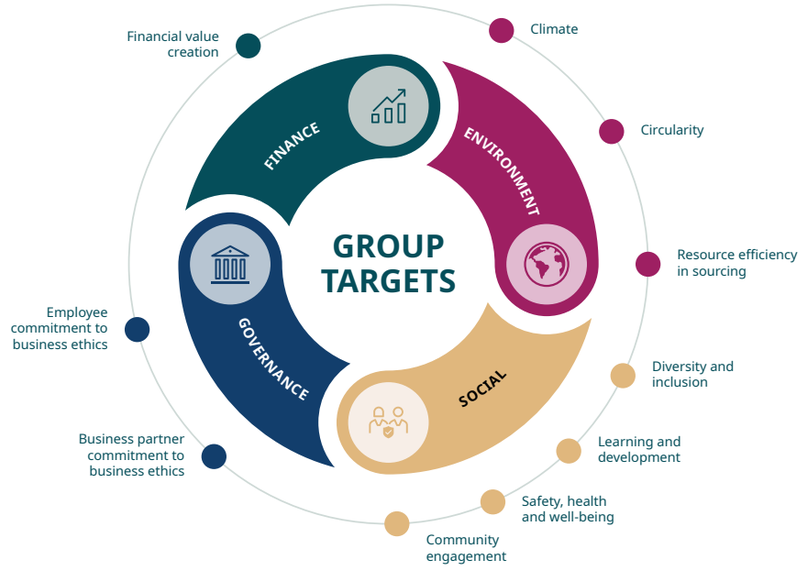
Most of the Group's sustainability targets are still relevant and remain unchanged. The targets we have updated reflect our raised ambitions within areas such as the climate, circularity and gender balance. We have also added a target related to trade compliance and fair competition. The long term targets remain unchanged. The main updates to the Atlas Copco Group targets are:

Circularity principles in product development

Our target of developing a Group-common methodology for assessing circularity has been achieved and replaced with a new target. Through this target, the Group commits to systematically applying circularity principles in our product development, covering all new and redesigned products by 2027.

Climate targets beyond 2030

Since 2021, we have had science-based targets in place to reduce greenhouse gas emissions throughout the value chain by 2030 in line with the Paris Agreement. We have now committed to developing a climate transition plan by the end of 2026, including long-term climate targets beyond 2030 for scope 1, 2 and 3.



Women in leadership positions

Atlas Copco Group is committed to diversity and inclusion, where gender balance throughout the organization is an important aspect. This is why we have added a target to reach 25% women in leadership positions by 2030, in addition to the current target of 30% women employees the same year.

Supplier engagement in ESG assessment

Since 2024 we are further strengthening our due diligence efforts by implementing a new Group wide third-party tool for assessment of suppliers. From 2025 we will measure and report the share of significant direct material suppliers [1] engaged in the assessment of environmental, social and governance aspects.

Trade compliance and fair competition training

Atlas Copco Group supports fair competition to ensure equal conditions for business. Awareness in trade compliance rules and regulations is key to navigate a constantly changing geopolitical landscape. For these reasons, we have added a target that employees in relevant selected target groups will participate in training in trade compliance and fair competition.

For a complete overview of the Group's updated sustainability targets, see page 7. For more details, see Targets and metrics in the respective topical chapter.

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External initiatives and memberships of associations

Atlas Copco Group is a signatory to the UN Global Compact, a strategic policy initiative for businesses that are committed to ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. The Group is also active in a number of international organizations and industry collaborations and initiatives, such as:

- The Stockholm Chamber of Commerce
- The International Council of Swedish Industry
- The Association of Swedish Engineering Industries
- Transparency International Sweden
- Pneurop – European Association of Manufacturers of Compressors, Vacuum Pumps, Pneumatic Tools and Air & Condensate Treatment Equipment
- The Responsible Minerals Initiative

While the general objectives of these organizations are in line with the Group's interests, there may be differences of opinion regarding specific issues. The memberships do not indicate that the Group endorses all actions or policy statements made by the respective organization.

ESG recognitions

In 2024, Atlas Copco Group received, among others, an AA rating in the MSCI ESG Ratings assessment, and Prime status by ISS ESG rating. We remain a constituent of the FTSE4Good Index Series. Atlas Copco Group scored a B by CDP for the climate-related disclosure and a C for the water-related disclosure.

Contributing to the United Nations' Sustainable Development Goals

Atlas Copco Group supports all of the UN's 17 Sustainable Development Goals, and have identified that we can contribute positively mainly to the following:

Gender equality
- Active promotion of diversity and inclusion
- Working to improve gender balance at all levels, including Group-common goals for 2030
- Dedicated taskforces established by the business area presidents and the CEO

Clean water and sanitation
- Local activities targeting water consumption
- Providing access to clean water and improved sanitation through the employee-driven initiative *Water for All*
- Group goal for continuous improvement

Affordable and clean energy
- Local activities to reduce CO_2 emissions
- Installment of solar panels
- Switching to renewable electricity
- Improved logistics planning to avoid air freight

Decent work and economic growth
- Business partners must comply with our Code of Conduct
- Child labor or modern slavery is not tolerated
- Compliance is assessed and audited
- The right to collective bargaining is ensured

Industry, innovation and infrastructure
- Development of energy-efficient products and service
- All projects for new and redesigned products must assess the product's environmental impact
- Products are developed with a life-cycle perspective

Responsible consumption and production
- Local activities targeted at reducing total waste and increasing recycling
- Group-common goal for 2030
- Chemical handling follows strict protocols
- Conflict minerals are not accepted in components
- Screening and monitoring of our supply chain

Climate action
- Science-based targets for scope 1, 2 and 3 emissions
- Solutions to reduce customers' energy consumption and carbon emissions
- Local initiatives to lower our energy consumption
- Switching to renewable energy
- Selecting transportation methods to minimize climate impact

Peace, justice and strong institutions
- All employees must sign compliance with our Code of Conduct
- Training for employees in handling ethical dilemmas
- Business partners must confirm compliance with our Code of Conduct

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CLIMATE CHANGE

Atlas Copco Group generates greenhouse gas (GHG) emissions that contribute to climate change. The impact occurs in all parts of the value chain, including upstream, with the extraction and processing of raw materials, and suppliers' production of components. They also occur in our own operations, from energy used in manufacturing and assembly processes, office buildings and company cars. However, the vast majority of the emissions and energy consumption derives from our downstream value chain, when our customers use our products, causing a negative impact over the short, medium and long term. A majority of our products consume a significant amount of energy throughout the lifecycle. This is where we focus our efforts. We also see significant business opportunities in constantly developing more energy efficient products and technologies, and by enabling technologies, such as the development of renewable energy, that are strategically important to the transition to a low-carbon society.

Climate-related risks and opportunities

Climate-related risks, such as physical risks for operational entities or transition risks related to markets or products, and the related financial implications, are assessed annually at divisional level, as part of the Enterprise Risk Management (ERM) process. An aggregated analysis of the risks is presented annually to Group Management. Read more about the risk management process on page 82.

As climate-related risks and opportunities are closely related, some opportunities for our divisions may also be identified through the ERM process. However, opportunities related to climate change, the transition to a low-carbon society and to the development of renewable segments are primarily identified within our divisions, during the strategy development process ahead of new strategy periods, as well as continuously within our operations.

Physical risks

A changing climate implies greater acute physical risks due to more frequent and/or more severe weather conditions, that could impact suppliers, operations and transport in our industry. Greater chronic physical risks from changing climate conditions, such as droughts and rising sea levels, could also have an impact on the value chain, including disruptions in production or logistics.

Both acute and chronic natural hazards may pose a risk to plants and equipment, resulting in losses. The Group's loss prevention program supports the decision-making process for highly exposed sites, including the prioritization of major investments, and risk-mitigation measures.

The Group has a global network of suppliers that provides resilience against local or regional disruptions. We regularly review the logistics systems we rely on for transportation of goods to ensure they are resilient to physical risks and assess available alternatives.

In 2024, we conducted an assessment of the exposure of the main sites in our own operations to physical climate risks, chronic and acute (such as heatwaves, floods, droughts and precipitation). The analysis utilized internal data, as well as climate projection data and models provided by a third party. The analysis covered three different scenarios: rapid transition (RCP 2.6); medium transition (RCP 4.5); and business as usual (RCP 8.5), and three time horizons: short term (0–3 years); medium term (until 2030); and long term (2030–2050).

According to the results, the most significant potential exposure, for the sites included in the assessment, is to precipitation, flooding and hail. The sites are to a lesser extent exposed to wildfire and cold. However, these exposures do not currently present material risks for the Group, as proper mitigation actions are taken, such as risk prevention measures or group insurances.

Moving forward we will include the perspective of sites' vulnerability to ensure that we capture our climate risk exposure as accurately as possible. We also have the ambition to include a number of key suppliers' facilities in the analysis. In the meantime, physical risks related to the supply chain and logistics are regularly reviewed and mitigated.

Transition risks and opportunities

A transition towards a low-carbon economy is associated with policy and regulatory risks, technological risks, market risks, and reputational risks. Among the risks are increased energy prices and taxes, and regulations related to greenhouse gas emissions. As a provider of products and technologies that improve performance and energy efficiency for customers in a variety of segments, Atlas Copco Group is well positioned to manage such risks. This market shift may also give rise to new businesses and business models, thus representing an opportunity for the Group.

In 2023, we conducted a scenario analysis based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), where climate-related transition risks and opportunities with an actual and/or potential impact on the Group were identified and analyzed. Two scenarios were used; rapid transition and business as usual, and three time horizons covered: short term (0–3 years), medium term (until 2030), and long term (2030–2050). Group functions and internal subject matter experts were consulted in the process.

A variety of risks and opportunities were identified throughout our value chain. We intend to further develop the identification, assessment and quantification of transition risks and opportunities in close collaboration with the divisions as part of an even deeper integration of ESG risks in our ERM framework.

Transition plan for climate change mitigation

We believe that we are well positioned, through our strategy and business model, for a transition to a low-carbon society by managing the greenhouse gas emissions throughout our value chain in line with our Group targets, as presented on page 45. As our targets are science-based, they are in line with the Paris Agreement and the EU's climate goals. The Board of Directors has approved the targets against which our climate-related work has been measured since 2022.

We are actively working to further develop our climate transition plan, including roadmaps and targets beyond 2030. Our target is for the transition plan to be fully developed by the end of 2026. See pages 45–46 for further details on the Group's key climate change mitigation actions and our main decarbonization levers.

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Climate-related policy

Atlas Copco Group's Code of Conduct is the central guiding policy underscoring our commitment to reduce the environmental impact from our own operations and along the value chain. It is complemented by our SHEQ policy, which is the overall policy for the environmental area. It addresses climate change mitigation and our commitment to reduce emissions in line with the goals of the Paris Agreement, throughout our own operations, and our upstream and downstream value chain. Renewable and fossil-free energy deployment is an important lever to reach our targets related to our own operations, as well as in our upstream and downstream value chain. Our policy addresses climate change-related physical risks in our operations to limit potential negative impact. The policy also addresses climate-related opportunities to our business, for example by stating that we develop technologies, products and services that increase energy efficiency and that enable the transformation to a low-carbon society. Further information on the scope and implementation of the SHEQ policy is described on page 35.

Climate-related targets

We have committed to reducing the greenhouse gas emissions throughout our value chain in line with the goals of the Paris Agreement. For the Group's own operations (scope 1 and 2), this means that we aim to reduce emissions in line with keeping the global temperature rise below 1.5 degrees. We will also reduce the emissions from our value chain (scope 3) in line with keeping the temperature rise well below 2 degrees, including those emissions that occur when our products are in use. Our targets up to year 2030 have been validated by the Science Based Targets initiative and were implemented in 2022.

Actions and resources

Atlas Copco Group is committed to continuously improving our environmental performance and we are addressing emissions in our own operations and throughout our value chain, through the levers and actions described below.

The Group's operational emissions, scope 1 and 2

To reduce the emissions from our own operations, we focus on energy-saving measures and increasing the use of renewable energy. The efforts include using biofuels in product testing, transitioning to renewable electricity in our facilities and installing solar panels. Applying the same measures in more locations enables us to further reduce emissions. Addressing emissions from company vehicles enables further reductions and will be in focus going forward.

In 2024, the CO_2 emissions from our own operations were 40% lower than in the baseline year, 2019. An increased share of renewable electricity, together with a lower carbon intensity in some markets, contributed to this reduction. In 2024, the share of renewable energy used in the Group for own facilities and company vehicles was 45%. The lack of renewable energy in some markets poses a challenge and requires us to actively find alternative solutions.

Emissions in our value chain, scope 3

More than 95% of the CO_2 emissions from our value chain are generated when the customers use our products. As this is our main impact, we focus on developing highly energy-efficient products and solutions to optimize the carbon footprint over their entire lifecycle. We also continue to electrify the limited share of the Group's products that are not yet electrified. Further gains are possible through the guidance we provide on how to use our products and through our service and optimization offer.

All projects for new or redesigned products must have targets for reduced carbon impact. In 2024, 96% of the projects had set such targets. Working with suppliers on resource efficiency and use of recycled materials, and with transport partners on logistics planning and low-carbon transport modes, are other means to reduce scope 3 emissions.

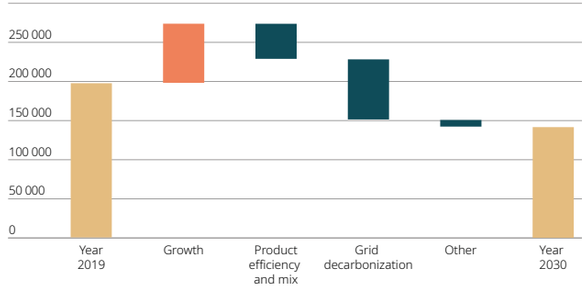
In 2024, the absolute emissions in scope 3 were 15% higher than in the baseline year. This is mainly due to increased sales. Our efforts to drive the product mix in favor of lower emissions and improvements in carbon intensity on some important customer markets are not yet balancing the increase in sales. The development and availability of low carbon energy in our customers' markets is critical to achieving further reductions.

Key performance indicators	Target	2024	2023	2022	Comment
Reduction in CO_2e[1] emissions (tonnes) from scopes 1 and 2, compared to the baseline 2019	–46% by 2030 [2]	–40%	–37%	–32%	Data subject to annual restatement. See page 53 for more information.
Reduction in CO_2e[1] emissions (tonnes) from scope 3, compared to the baseline 2019	–28% by 2030 [3]	15%	27%	19%	
Projects for new or redesigned products with goals for reduced carbon impact	100%	96%	95%	97%	

[1] CO_2e means carbon dioxide equivalent.
[2] In line with the 1.5 degree warming trajectory.
[3] In line with the 2.0 degree warming trajectory.

Roadmap to reduce scope 3 emissions in line with the Group target

Scope 3 Emissions 2019–2030, $ktCO_2$



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Many of our technologies and solutions are used in industries and applications that are at the center of the transformation to a low-carbon society. They are critical in the manufacturing of electric vehicles and equipment for solar and wind power plants, and a part in emerging technologies for energy production, energy storage, carbon capture, smart manufacturing and more.

Environmental trainings

Several Group-common trainings and initiatives to create awareness have been rolled out over the last few years. In 2022, we held a climate event to increase employees' awareness about our newly launched science-based targets. This was followed by the launch of a climate-awareness training for all employees. In 2024, we also launched a training in circular economy.

Environmental management systems

To minimize the Group's environmental impact and to secure that the precautionary approach is applied, our ambition is to implement environmental management systems (EMS). All production units with more than 20 employees, and customer centers and rental companies with more than 70 employees, should be certified according to ISO 14001. Acquired product companies are normally certified within a two-year period. See page 36.

Internal carbon pricing

As a Group, we aim to reduce our environmental impacts, lower our carbon emissions, and reduce potential impact from external carbon taxes. Including a financial cost of carbon in investment decisions ensures these aspects are considered.

In 2021, we introduced a guideline on how carbon pricing should be considered in capital investment decisions (Capex) to ensure that climate impact is taken into account, for example in connection with energy-related infrastructure investments. The guideline was updated in 2024, including the carbon price of 1 500 SEK/tonnes CO_2e to reflect the carbon pricing market development.

Business area's levers for reaching scope 3 targets

Considering the different characteristics of our products, our business areas' plans and efforts to reduce products' climate-impact differ. However, they all strive to increase the sales mix ratio of the most efficient and favorable products in terms of carbon footprint. The development and availability of low-carbon energy in customers' markets is also critical to all business areas' ability to achieve the Group's targets.

See the business areas' main levers for reaching the targets in the table.

Business area	Focus
Compressor Technique 	Focus on continuously improving product efficiency, and optimizing the compressor rooms by more intelligent central controls.
Vacuum Technique 	Focus on improving product performance, integrating smart technology to optimize the energy required, and by leveraging our service teams to deploy product upgrades, which will extend product lifecycles.
Industrial Technique 	Focus on developing and providing electric alternatives for the pneumatic product ranges, improving energy efficiency in the current product range and optimizing use of the products by customers.
Power Technique 	Focus on providing electrified alternatives for each product, including energy storage systems, improving fuel efficiency of the internal combustion engines, and stimulating customers' use of renewable diesel by offering solutions to supply HVO (hydrogenated vegetable oil) on the construction sites. Focus on application knowledge, assuring to sell the right product, with smallest footprint.

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Transforming temporary industrial dry oil-free air configuration supply

Many industries rely on "class zero" oil-free air. Class zero refers to third party quality certified air in terms of contaminants and purity class. When additional capacity is required, they can now enjoy a reliable solution without local exhaust emissions.

In the past, a diesel driven PTS800 oil-free air compressor was the go-to compressor to provide additional oil-free air as temporary utilities mostly operate outside the compressor room. Today the electric driven PTE900 VSD+ delivers the same class zero oil-free air flow with just half the footprint in terms of size also improving transportation efficiency. It is Atlas Copco's first electric driven VSD oil-free air compressor that is ruggedized to operate in extreme circumstances and ambient temperatures from –25 up to 50°C. In addition to the variable speed and flow regulation, its low startup current allows for a plug-and-play electric connection, without overloading the grid.

To deliver 800 CFM oil-free air, the PTE900 VSD+ requires 200kW, versus 40l fuel for the PTS800. This results in a CO_2e emissions saving of 80kg per running hour.

Most applications require dewpoints as low as –40°C to protect their processes. Typically, a PTS800 is combined with a cold regeneration desiccant dryer. As this dryer uses 20% of the air flow to regenerate desiccant, the MDG450 desiccant dryer was developed to eliminate regeneration losses. As a result, the MDG dryer is 18% more efficient compared to its compact desiccant dryer predecessor.

By replacing 80% of the current rental fleet PTS800 and CD dryer configurations, supported by the Specialty Rental division in 2023, with a PTE900 VSD and MDG dryer, we will save around 20 000 metric tons of CO_2e emissions per year.



Savings of around

20 000

metric tons of CO_2e emissions per year

Energy saving with EUV pump upgrades

Extreme ultraviolet (EUV) lithography is a cutting-edge technology used in semiconductor manufacturing to create extremely small and intricate patterns on silicon wafers. EUV lithography represents a significant leap from traditional photolithography, boosting manufacturing competitiveness with efficient, high-performance microchips, reducing manufacturing steps, energy, chemicals usage, and waste generation. However, the technology is energy intensive.

Edwards' EUV solutions, which include booster and dry vacuum pumps, are configurated to customer requirements. Upgrading to newer generation energy-efficient pumps increases the pump's capacity and also optimizes the configuration.

By deploying booster pump upgrades at a semiconductor manufacturer in Taiwan, the number of dry pumps in the configuration has been reduced, thereby enabling energy savings. As a result, across all installed systems, we estimate that the customer will reduce electricity consumption by more than 20% and save up to nearly 9 000 metric tons CO_2e per system per year.

Depending on the specific configuration, similar upgrades can be made to approximately 100 other EUV systems across Edwards' global customer installed base in Korea, UK, Ireland, Japan, and US.

Savings of nearly

9 000

metric tons of CO_2e emissions per year



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A new generation battery-powered tightening tools

The global assembly industry is continuing its transformation, becoming more efficient, integrated, and focused on reducing environmental impact. This year, we selectively introduced a new generation of battery-powered cordless nutrunners, the XB family, which includes two products: XTB and XCB. Both products are engineered with a modular design that prioritizes ease of access to all components. One of the key features of the XB family is the absence of permanent bonding methods, which is crucial for both recycling and repairing processes. With this new design, we ensure that maintenance and repairs can be performed with minimal effort, reducing downtime and extending the product's lifespan.

The XB products support our customers in demanding applications within the automotive, aerospace, and general manufacturing industries. They provide accurate torque control, which leads to higher yields on customers' assembly lines.

Additionally, the ergonomic design improves workers' performance and health. The XB products will also be compatible with server-based controller software, significantly reducing the need for physical controllers. This simplifies the system architecture and enhances flexibility and scalability, allowing for more efficient management and control.

Through the optimization of our battery-powered products, the Atlas Copco brand continues to enable the transition to a low-carbon industry by offering customers the opportunity to use superior electric alternatives in the field. According to our estimation, over the next two years, the usage of this new technology could avoid the release of approximately 400 metric tons of CO_2e emissions per year.



Savings of approximately

400

metric tons of CO_2e emissions per year

Energy recovery with remote monitoring

The stand-alone 'Energy Recovery unit' for oil-injected screw compressors is an optimization product that captures the heat generated during air compression and repurposes it. Instead of wasting this heat, the ER system transfers it to water, providing heated water for various industrial applications like process heating and sanitation. This reduces the need for fossil fuels, such as natural gas, for heating water.

Based on the sales in 2024, these Energy Recovery systems will avoid an estimated 136 000 tons of CO_2 emissions throughout their lifetime. This significant reduction is based on detailed calculations from actual running conditions and hours, recorded via IoT (Internet of Things). The latest developments in our in-house developed cloud monitoring solution Smartlink allow us to monitor the performance and efficiency of our customer installations and respond with tailored recommendations. It also enables our customers to remotely follow-up the CO_2 emissions and energy/cost savings of their operational equipment, all via an intuitive and user-friendly state-of-the-art interface.

The system's small impact on floorspace and ease of retrofitting to existing installations, make it a versatile solution for any compressor room, offering clear environmental and economic benefits.

This new business line within the Compressor Technique Service division will act as an energy consultancy organization, providing expert guidance and solutions to optimize the energy efficiency of customers' existing compressed air installations.



Savings of about

136 000

metric tons of CO_2e emissions over the system's lifetime

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RESOURCE USE AND CIRCULAR ECONOMY

The majority of the resources in terms of material used in the Group's production and assembly processes are purchased components. Only some core components are manufactured internally. Common materials include iron and steel, aluminum, copper and brass. Waste is generated in our suppliers' production process, in our own operations and at the products' end-of-life. Some entities generate and manage hazardous waste and follow hazardous waste management procedures. The maturity of waste management varies across the countries we source from, where we operate and in our main customer markets. This affects the degree to which waste is recycled and reused and thus the extent of our impact. We strive to mitigate the impact of materials used in our products by applying circularity principles in product design, including efforts aimed at prolonging the life of the equipment. This also contributes to reducing the waste generated in our own operations and at the end-of-life of our products. Resource efficiency and circularity practices in the product design, production and use are increasing in importance for customers and other stakeholders. This development is also reflected in upcoming regulatory frameworks. Adopting a circular approach thus creates a business opportunity and a potential competitive advantage.

Towards more sustainable packaging

In our Power Tools Distribution center in Belgium, a shift is underway towards packaging material with lower environmental impact. The ambition is to optimize packaging to reduce the amount of material used, and to move away from plastic, by replacing plastic filling bags with recycled paper. If plastic is still needed, the aim is to use foils and straps made of more recycled materials. Another focus is to maximize the re-use of inbound packaging in outbound shipments. Small wooden pallets are also replaced by carton pallets, thereby reducing transport weight and facilitating customers' recycling.

Policies related to resource use and circular economy

Atlas Copco Group's Code of Conduct is the central guiding policy underscoring our commitment to reduce the environmental impact from our own operations and along the value chain. It is complemented by our SHEQ policy, which states that we apply circularity principles throughout the product lifecycle and focus on a responsible use of resources. This includes further exploration of opportunities to transition away from the use of virgin resources, where possible. We are also committed to monitor and avoid any environmental harm caused by our operations, including the generation of waste. Further information on the scope and implementation of the SHEQ policy is described on page 35.

Actions and resources

Circular principles in product development

Atlas Copco Group takes a life cycle approach to innovation. Products are designed with their full lifecycle in mind – from sourcing and production, to energy consumption and disposal.

In 2024, in line with our target, we launched a Group-common methodology for assessing the circularity of all new or redesigned products. The methodology provides a common framework for our future circularity work, as it allows for the assessment of circularity metrics and application of circularity principles across the whole Group.

During the year, we adopted a new target that applies from 2025. According to this, circularity principles should be applied to all projects for new or redesigned products, in accordance with the Group's internal guidelines. To prepare for and support the new target, in 2024, we developed Group-common guidelines for applying circularity principles, as a complement to already existing business area-specific ecodesign guidelines.

Durability, repairability and recyclability

Extending the lifespan of products is a key concept of circularity. Our Group-common circularity principles are used to support the development of products that are durable, repairable, and easy to disassemble for recycling.

Service is a key part of our business which inherently supports extending the lifetime of the Group's products by providing service, preventive maintenance programs and refurbishment.

Many of our products are also designed so that they can be returned, refurbished and resold as used equipment. This contributes to increased circularity and such used equipment meet the same high standards as new equipment in terms of performance and energy efficiency. Some of the Group's units also take back contaminated products from customers, which otherwise would be disposed of as hazardous waste, and return them to full operation.

Circularity training

In 2024, a new training focusing on circular economy was launched and made available to all employees, Group management and the Board of directors. We also launched a training supporting the implementation and use of our new group-common circularity principles.

Key performance indicators	Target	2024	2023	2022	Comment
Significant direct suppliers with an approved environmental management system [1]	Continuous increase	31%	31%	31%	
Water consumption (m^3)/in relation to cost of sales [2]	Continuous decrease	7.4	7.5	8.4	
Reused, recycled or recovered waste from internal operations	100% by 2030	91%	91%	92%	
A Group common methodology for assessing the circularity of new or redesigned products	In place by 2024	In place	–	–	Implementation begun in 2024

[1] An approved EMS is defined as ISO 14001, or fulfilled EMAS (EU Eco-Management and Audit Scheme) requirements. The significant supplier needs to be third-party certified for ISO 14001 or registered in accordance with EMAS and hold a valid certificate. The KPI includes significant direct suppliers to production and distributions units.

[2] Cost of sales in relation to sustainability information, refers to cost of sales at standard cost in MSEK.

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Environmental impact in the supply chain

We recognize the importance of managing environmental risks throughout our value chain. By committing to the Group's business partner criteria, our suppliers assume responsibility for minimizing the environmental impact of their products and services during manufacturing, distribution, and usage, as well as after disposal. Screening and audits are part of the Group's supplier due diligence. See page 73 for further information.

Packaging

The majority of our products are shipped to customers in safe containers and the need for packaging is therefore limited. Most often, wooden pallets are used. For smaller products, cardboard boxes and plastic packaging are also used for safe transport.

Our ambition is to reduce our environmental impact by avoiding or reducing the amount of packaging used. We also collaborate with suppliers that provide packaging with lower impact, such as recycled carboard, where possible. Some divisions also use reusable packaging for transportation of components between suppliers and our sites.

Targets and metrics

During the year, we launched a Group-common methodology for assessing the circularity of new or redesigned products, and thus reached this target, see above. Regarding waste management, our target is that by 2030, we shall reuse, recycle or recover 100% of the waste generated in our own operations. Both these targets have been adopted with consideration to current and future legislation. We also have a target stating that the share of significant direct suppliers that have an approved environmental management system should increase continuously. One reason for the lack of progress related to this target is that new suppliers, who have not yet achieved certification, have been added as a result of recent acquisitions.

At present, we have no Group-common targets regarding circular material use rate, minimization of virgin raw material, sustainable sourcing, or use of renewable resources. However, these aspects are on our agenda as they are also means to reduce our emissions from materials and reaching our target for scope 3.

Going forward, we continue to explore ways to optimize resource efficiency and waste management. This includes further development of relevant performance indicators, such as share of recycled and recyclable content in our products.

Weight and share of recycled content

We have initiated broader gathering of materials data, including information about the share of recycled and biological content.

Increasing the share of recycled materials in our products is a way to contribute to increased circularity. Some metals already contain a significant share of recycled content while for other materials, recycled alternatives are limited.

Waste management

Reducing waste is important to decrease the total environmental impact from our production and increase resource efficiency. Most of our waste constitutes of scrap metal, most of which is reused or recycled. Other materials present in the waste are for example plastics and cardboard from incoming packaging.

Electrically powered Group products sold into the EU fall under the EU Waste Electrical and Electronic Equipment (WEEE) Directive. This includes compressors, vacuum pumps, handheld electric tools and monitoring control instruments. The Group is responsible for, and arranges with customers, the correct disposal of products that fall under the directive.

Waste from own operations (tonnes)	2024	2023	2022
Total waste	60 796	57 598	54 855
Waste diverted from disposal	55 576	52 560	50 378
Preparation for reuse	2 317	1 699	1 674
Recycling	45 216	41 117	39 580
Other recovery operations	8 043	9 744	9 124
Specification:			
Hazardous waste diverted from disposal	12 445	–	–
Non-hazardous waste diverted from disposal	43 131	–	–
Waste directed to disposal	5 220	5 038	4 477
Incineration	351	–	–
Landfill	4 465	–	–
Other disposal operations	404	–	–
Specification:			
Hazardous waste directed to disposal	1 530	–	–
Non-hazardous waste directed to disposal	3 690	–	–

Waste from own operations specifications	2024	2023	2022
Non-recycled/non-reused waste (tonnes)	13 263	14 782	13 601
Non-recycled/non-reused waste (%)	22%	26%	25%
Reused, recycled, recovered %	91%	91%	92%
Total hazardous waste (tonnes)	13 975	12 251	11 147

Main changes in presentation compared to annual report of previous year:
– More detailed categorization of waste disposal methods and hazardous waste.
– Some details not available prior to 2024.

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ADDITIONAL ENVIRONMENTAL INFORMATION

In addition to the Group's environmental targets we measure and report on several other environmental metrics, many of which are enablers to reach our Group targets. We therefore set internal targets related to some of these metrics, including targets for water, energy and renewable energy, to make sure entities and divisions contribute to the overall Group targets. The environmental impact varies from site to site, and each site is responsible for identifying its most significant environmental impact and to mitigate and set targets to reduce these impacts.

These processes and targets are an important component of local environmental management systems as part of business area ISO 14001 certifications and of our resource efficiency measures for operational excellence.

Energy consumption and mix

Energy consumption, MWh	2024	2023	2022
Own facilities	533 859	531 414	517 906
Direct energy	156 474	153 441	159 236
Indirect energy	377 385	377 973	358 670
Company vehicles	248 877	225 452	180 458
Direct energy	246 986	222 097	179 928
Indirect energy	1 891	3 355	530
Total energy	782 736	756 866	698 364
Direct energy	403 460	375 538	339 164
Indirect energy	379 276	381 328	359 200
Energy /revenue			
Total energy / revenue (MSEK)	4.4	4.4	4.9

The Group does not report cooling or steam separately. Direct energy, i.e. energy generated by the company for its own production or operation (on site or by company vehicles) includes diesel, oil, biofuel, gasoline, solar, geothermal, propane and natural gas. Indirect energy, i.e. energy purchased externally by the company, includes electricity (97%) and district heating (3%) used at the sites or by company vehicles. Main changes in presentation compared to the annual report of previous year: Energy is presented in MWh instead of GWh. Energy from company vehicles is included. Energy is reported in relation to revenue instead of cost of goods sold.

Renewable energy sources, %	2024	2023	2022
Own facilities	64%	61%	56%
Company vehicles	5%	4%	4%
Total	45%	44%	42%

The share of renewable energy does not include "renewable of mix" for indirect energy, as reported previous years, only fully renewable indirect energy supported by renewable energy certificates or contractual agreement.

Substances of concern

Atlas Copco Group's own operations are mainly focused on assembly, rather than manufacturing, and our actual and potential pollution-related impact is therefore limited. However, the Group's operations may have a negative impact on the environment due to the potential use of substances of concern.

The Group maintains lists of substances which are either prohibited or that must be declared due to their potential harmful effects on humans or the environment. Prohibited substances are not allowed in the Group's products or processes. Items containing declarable substances are avoided or replaced whenever possible.

Via a dedicated communication platform, we inform the Group's suppliers about upcoming legislative changes. A team of experts follow up with our suppliers to ensure that they understand and acknowledge the importance of adhering to the Group's policy.

We closely monitor regulatory initiatives and legislation on chemicals and hazardous substances. These include REACH, RoHS, U.S. State of California Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) and Japanese Chemical Substance Control Law (CSCL). The Group's lists over prohibited and declarable substances are under continuous revision and are published on the Group's website www.atlascopcogroup.com.

Biodiversity

The severity of the ongoing decline in nature and biodiversity should not be underestimated and as a global company we have a responsibility to understand and limit our negative impact.

Following our initial biodiversity assessment in 2023, we have in 2024 conducted a biodiversity impact assessment focusing primarily on impact related to our production sites and significant suppliers. We will analyze and process the results to identify relevant measures to address our impacts and risks going forward.

During 2024, we reviewed and updated our biodiversity statement in our SHEQ policy. We also continued the work in our internal biodiversity team with representatives from Group and all four business areas. The purpose of the team is to build internal competence, monitor the development within the area and guide the organization in biodiversity-related issues.

As climate change is a key driver of biodiversity loss, our impact on nature is currently mainly addressed through our climate targets and our efforts to reduce greenhouse gas emissions across the value chain. Pollution is another key driver that we address through our measures to identify substances of concern. We also take action to ensure that substances on our Prohibited list are not used in our own operations or by suppliers. Our continuous measures to minimize water consumption contribute to further reducing our impact on nature.

Water management

Atlas Copco Group's overall water consumption is relatively low due to our focus on assembly rather than water-intensive production processes. Nevertheless, we seek to decrease our use of water, and increase its reuse and circulation. Our target to continuously increase the share of significant suppliers with an environmental management system puts focus on resource efficiency and responsible environmental management in our upstream value chain. Innovative product design and improved processes also contribute to reducing our customers' water consumption.

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Value chain impact assessment – calculation methods

In 2021, we conducted a value-chain impact assessment, which formed the baseline for our Science-Based targets. A common Group methodology was used with 2019 as the baseline year.

The direct climate impact from energy used by our units (scope 1 and 2) was initially calculated by using actual data from the reporting units that were then within the scope and estimating the impact from the remaining units. Since 2022, all entities report their actual carbon dioxide equivalent emissions from energy used in companies, and vehicles' use. The performance on scope 1 and 2 is monitored and reported at unit level and consolidated to Group level.

To calculate the product-related value chain impact, as part of scope 3 emissions, a Group-common tool has been developed – the Product Carbon Footprint tool (PCF). This third-party certified tool is used to assess the carbon impact during the product's entire lifecycle, from choice of materials to manufacturing, energy used during the use-phase, estimated service required, and recycling and disposal.

Business areas complete the calculations and monitor performance of product-related and non-product related emissions, and the results are consolidated to Group-level.

Our ambition is that the reported data should be as realistic as possible and reflect products' actual emissions. However, due to the complexity of the area and the number of assumptions and estimates underlying the calculations, the data is associated with uncertainties. We will therefore work gradually to develop and improve our processes and tools, to increase data accuracy and minimize uncertainties. As part of improving data accuracy and correctness, during 2023 we introduced a GHG restatement process, see page 53.

Energy consumed in the use phase is calculated using the current CO_2 intensity of the relevant market over the products' lifetime. No forecast of increased availability and use of renewable energy sources is taken into consideration. This, most likely, results in emissions being overestimated.

Business area	Calculation method
Compressor Technique	Scope 3 emissions are calculated by having application specialists apply our PCF tool methodology. We use country-specific carbon intensity factors for the indirect emissions from electricity throughout the use-phase of our products and apply material-specific emission and circularity factors to the product materials, for a large set of reference products. Real operational data, ingested via our connected installed base is used to make the best possible estimation of the lifetime use variation of the products.
Vacuum Technique	Scope 3 emissions from the product use-phase are calculated based on the PCF tool methodology to products sold to global markets. Estimations are made for energy consumption, load of products and product maintenance profile. For purchased goods and services, the spend-based method has been used considering total spend on all goods and services, categorizing each spend item based on type, and matching them to the appropriate emission factors. The spend-based emission factor databases of EXIOBASE and USIO were used. The spend-based method offers a high-level, yet complete, estimate of the total emissions associated with the purchased goods and services.
Industrial Technique	Scope 3 emissions from the material and use phase of our products have been calculated using the PCF tool methodology, applied to a set of reference products selected by the business area.
Power Technique	Scope 3 emissions for the years 2019–2021 have been calculated manually based on a set of reference products selected by the business area. In 2022, more granularity was added to the manual calculations, based on sales and product carbon footprint data. As of 2023, calculations of emissions from two of four divisions from 2022 and onwards are automated, based on the PCF tool methodology.

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GHG emissions (restated values)

(CO_2e) '000 tonnes	2024	2023	2022	Retrospective base year 2019	% change 2024 vs. 2023	% change vs. base year	Milestones and target years 2030
Scope 1 GHG emissions							
Gross Scope 1	91	89	92	97	+2	–6	
Scope 2 GHG emissions							
Gross location-based Scope 2	145	146	144	–	0	–	
Gross market-based Scope 2	23	30	36	92	–23	–75	
Scope 1 + 2 GHG emissions							
Scope 1 + 2 (market based)	114	119	128	189	–4	–40	–46%
Scope 3 GHG emissions							
Total gross indirect Scope 3	224 213	247 894	232 229	194 864	–10	+15	–28%
Purchased goods and services	3 283	3 757	4 111	3 060	–13	+7	
Use of sold products	218 027	241 294	225 220	189 959	–10	+15	
Leased assets downstream	2 443	2 357	2 386	1 343	+4	+82	
Other categories	460	486	512	502	–5	–8	
Total GHG emissions							
Total GHG emissions (location based)	224 449	248 129	232 465	–	–10	–	
Total GHG emissions (market based)	224 327	248 013	232 357	195 053	–10	+15	

GHG emissions* / revenue (MSEK)

(CO_2e) tonnes	2024	2023	2022	Retrospective base year 2019	% change 2024 vs. 2023	% change vs. base year	Milestones and target years 2030
Scope 1+2 (market based) GHG emissions / revenue	0.65	0.65	0.83	1.63	0	–60	
Scope 3 GHG emissions / revenue	1 268	1 430	1 612	1 844	–11	–31	
Total GHG emissions (market based) / revenue	1 269	1 431	1 613	1 845	–11	–31	
Total GHG emissions (location based) / revenue	1 270	1 431	1 613	–	–11	–	

* Historic data has not been restated for acquisitions.

GHG emissions restatement specification

(CO_2e) '000 tonnes	2023	2022	Base Year 2019
Scope 1+2 GHG emissions			
Initial reported Scope 1+2	113	108	162
Adjustment to Scope 1+2	6	20	27
Restated Scope 1+2	119	128	189
Scope 3 GHG emissions			
Initial reported Scope 3	250 528	219 822	170 634
Adjustment to Scope 3	–2 634	12 407	24 230
Restated Scope 3	247 894	232 229	194 864

Restatements

Atlas Copco Group has developed guidelines for restatements that applies to our GHG reporting related to the company's science-based targets and the corresponding baseline. Base year emissions shall be retroactively recalculated to reflect changes in the company that would otherwise compromise the consistency and relevance of the reported GHG emissions and targets. The need for restatements is reviewed, by the divisions, on an annual basis. The restatement guideline is based on the GHG protocol corporate standards. Factors that trigger restatements: 1) structural changes in the reporting organization that have a significant impact on the company's base year emissions, including: mergers, acquisitions, divestments, outsourcing and insourcing of emitting activities affecting the Group emissions, 2) changes in calculation methodology or improvements in the accuracy of emission factors or any other operational data that result in a significant impact on the base year emissions data, 3) discovery of significant errors, or a number of cumulative errors, that are collectively significant. Scope 1, 2 and 3 emissions data were recalculated in conjunction with our value chain impact assessment in 2021.

Comments to GHG emissions data

The reporting of greenhouse gas emissions is done in accordance with the GHG Protocol (ghgprotocol.org). Country factors used for energy come from the International Energy Agency. Scope 2 is presented both as market-based and location-based according to the GHG Protocol. A market-based approach has been applied unless otherwise stated. Factors from NTM (transportmeasures.org) are used for transport of goods when emission data is not provided by the transport company. Scope 1 includes direct energy in own operations and fuel used in company vehicles. Scope 2 includes indirect energy from own operations and electricity from company vehicles. Scope 3 includes GHG emissions upstream and downstream in the value chain. Out of scope emissions data for direct CO_2 emissions from biologically sequestered carbon (e.g. CO_2 from burning biomass/biofuels) was 4 388 tonnes in 2024. CO_2e stands for carbon dioxide equivalents. Calculations according to GRI Standard Guidelines, www.globalreporting.org.

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EU Taxonomy regulation disclosures

The European Union's Taxonomy regulation (EU Taxonomy) aims to provide guidance and over time act as a comprehensive classification system of environmentally sustainable economic activities that companies can perform. We have assessed which of our business activities that are covered by the EU taxonomy and how they correspond to reporting requirements.

Atlas Copco Group develops and offers a wide range of technologies and services for different end markets and applications. We strive to provide the most energy efficient products for each specific application to support our customers in minimizing their energy consumption and reducing their climate impact.

The EU taxonomy consists of six environmental objectives and several delegated acts. The Climate Delegated Act addresses two of the objectives (climate change mitigation and climate change adaptation) and the Environmental Delegated Act addresses the remaining four objectives (water, transition to a circular economy, pollution prevention, and biodiversity).

We have assessed our operations against the EU taxonomy list of available economic activities and concluded that we are eligible. To also be considered environmentally sustainable, aligned, we have evaluated our compliance against three sets of criteria: the Technical Screening criteria, the Do No Significant Harm criteria, and the Minimum Safeguards.

In December 2022 the European Securities and Markets Authority (ESMA) indicated a restrictive compliance interpretation when it comes to the Minimum Safeguards, which refer to the social aspects of doing business, signaling that referencing existing company policies was not sufficient for compliance. Based on ESMA's restrictive compliance interpretation, we decided to continue the Group's conservative approach from 2021 and we have since then reported 0% alignment on all three KPIs.

We have continuously taken steps to strengthen our due diligence processes relating to human rights (see 'Meeting the Minimum Safeguards' below). During 2024, the Corporate Sustainability Due Diligence Directive was agreed upon, scheduled to be implemented as of 2027. The EU has confirmed a clear link between its requirement and the Minimum Safeguards. For this reason, we continue our conservative approach and report 0% alignment on all three KPIs also for 2024. Owing to this, no detailed review of the other criteria is shared at this stage.

For the financial year 2024, reporting is required on both the Climate Delegated Act and the Environmental Delegated Act. The only business area that qualifies for reporting under both acts is Industrial Technique as a manufacturer of power-driven hand tools relating to the circular economy objective. There is nothing significant to report. Therefore, we report solely under the Climate Delegated Act for all three KPIs.

Revenue KPI

Based on the taxonomy's Climate Delegated Act, Atlas Copco Group is eligible for climate change mitigation (CCM) under activity CCM 3.6 with the eligibility description "*Manufacture of technologies aimed at substantial greenhouse gas emission reductions in other sectors of the economy*".

Atlas Copco Group defines eligibility in accordance with CCM 3.6 as technologies which aim to enable substantial energy savings and/or other means to avoid, reduce, remove, or store greenhouse gas emissions compared to alternative technologies commonly used on the market. This includes products and services that: 1) prevent the venting of environmentally hazardous gases directly into the atmosphere, or 2) enable substantial energy savings compared to available technologies commonly used on the market by either use optimization, in and of themselves, by enabling the shift to electric/battery power, or by introducing new solutions on the market. As of 2022, eligible technologies include:

- Energy efficient products and services which now or over time are expected to meet the alignment criteria.
- Products and services which are aimed at being phased out and replaced by aligned products.

Eligible technologies

The mapping of eligible technologies is an ongoing process and may result in revisions in future reports as reporting practice develops. For the 2024 reporting the following have been included:

Within the Compressor Technique business area, the majority of products and solutions are eligible as they actively strive to lower customers' energy consumption. This is predominately done through energy efficient variable speed drive compressors, but also fixed speed compressors are manufactured with the aim of offering energy efficiencies. Additional eligible products and solutions include e.g. on-site industrial gas generators, energy recovery modules, air blowers, boosters, and dryers as well as optimizing service solutions such as installations for optimal air compression and distribution.

Within the Vacuum Technique business area, products are specifically developed to enable the manufacture of low carbon technology and products across several market sectors. Technology such as abatement eliminates greenhouse gas emissions arising from complex manufacturing processes and is deemed eligible when demonstrating market leading energy efficiency. Also included as eligible is core vacuum pump technology that can accelerate energy efficiency through its high level of vacuum performance.

Within the Industrial Technique business area, a majority of products and solutions are developed with the intention to reduce customers' energy consumption through energy efficiency and are therefore deemed eligible. This includes all products and solutions that support the transition from pneumatic to electric power, as well as optimization of both types of products, pneumatic and electric, making them as energy efficient as possible.

Within the Power Technique business area, all electric and battery-driven products are deemed eligible, supporting the shift from fossil fuel to electric or battery power. This includes the electric rental fleet. Also diesel-driven products are considered eligible because when infrastructure for electric solutions is lacking, diesel-driven machinery is required in the market for which Atlas Copco Group offers energy efficient solutions. Still, the aim is to replace diesel-driven products with electric alternatives whenever practically possible. Industrial pumps, which recently have been added to the product portfolio, are considered eligible if electric with high efficiency. As a whole, a majority of the business area's products and solutions are deemed eligible.

The revenue denominator used for the EU taxonomy KPI calcula-

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tion are all revenues derived from the sale of equipment and services as stated in the consolidated financial statements (revenue recognition in the material accounting principles).

The revenue numerator includes revenues generated by both equipment and services including rental income based on EU taxonomy section CCM 3.6. Both Compressor Technique and Power Technique have included revenues related to refurbishment.

Technical screening criteria assessment

The CCM 3.6 section requires that emission savings are calculated using an EU taxonomy compliant method and that these calculations are verified by a third party. In 2022, our product carbon footprint (PCF) tool was externally certified against ISO 14067:2018. In 2024, we re-certified the PCF tool following performance updates and it continues to qualify as EU taxonomy compliant.

Result

Revenue eligibility is 64% (65).

CapEx KPI

We utilize the following types of EU taxonomy listed capital expenditure for the CapEx numerator:

- "*CapEx related to assets or processes that are associated with taxonomy-aligned activities*": Used for investments in factories that enable production of products relating to EU taxonomy section CCM 3.6 and for our R&D reporting.
- "*The purchase of output of taxonomy-aligned products*": Used for taxonomy product additions into our hire fleet relating to taxonomy section CCM 3.6.
- "*Individual measures*" to lower Atlas Copco Group's own greenhouse gas emissions: Used for installations of energy efficiency equipment, installations of charging stations for electric vehicles, installations controlling building energy performance, installations of renewable energy technologies, and investments related to the company vehicle fleet (relating to taxonomy sections CCM 6.5, 7.3, 7.4, 7.5, and 7.6).

The CapEx denominator used for the EU taxonomy KPI calculation consists of additions to tangible and intangible assets (including right of use assets) during the financial year, considered before depreciation, amortization, and any re-measurements, including those resulting from revaluations and impairments, and excluding fair value changes. The denominator also includes additions to tangible and intangible assets resulting from business combinations.

No significant climate change adaptation investments have been made during the year. See more information on page 109.

Result

CapEx eligibility is 22% (17). It should be noted that the majority of R&D expenditure is reported as OpEx within Atlas Copco Group and that the CapEx denominator includes a relatively low proportion of EU taxonomy relevant expenditure which may impact the KPI.

OpEx KPI

The OpEx numerator only includes expenditure that is material to the company business model, i.e. in R&D and our own hire fleet (relating to EU taxonomy section CCM 3.6). The denominator however includes expenditures for R&D and hire fleet as well as maintenance costs for buildings, equipment, and own vehicle fleet.

Result

OpEx eligibility is 34% (29). The increase is mainly due to improvements in methodology relating to how R&D is reported.

Doing no significant harm

EU taxonomy alignment requires substantial contribution to at least one of the EU taxonomy's environmental objectives while doing no significant harm to any of the other objectives. The EU taxonomy identifies specific criteria as to what constitutes doing harm and what type of assessment a company should perform to evaluate such potential harm.

In 2022, we assessed our operations against the EU taxonomy's appendixes A, B, C, and D (addressing climate change adaptation, water, pollution prevention, and biodiversity) as well as the requirements for not harming the transition to a circular economy. The conclusion was that no significant harm is done although it is deemed difficult to assess compliance with the pollution prevention criteria, especially after their revision in 2023. Despite critique from reporting companies that the taxonomy requirements exceed existing regulatory demands on declarable substances, the EU is yet to address this complexity. Until then, we find it difficult to perform the required assessment.

Improvements may be implemented to certain existing policies and procedures and steps to adapt to the EU taxonomy reporting demands have been taken. For example, we conducted a biodiversity impact assessment in 2024, and we have started using a third party solution to facilitate the assessment of physical climate risks.

Meeting the Minimum Safeguards

The EU taxonomy references adherence to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at work and the International Bill of Human Rights.

Our company policies align with the criteria as we endorse all referenced frameworks. Building on efforts during 2023 to strengthen processes, we have this year reviewed and updated our Business Partner Criteria document which all significant business partners need to sign to confirm compliance with our Code of Conduct. Furthermore, we have implemented the system for ESG assessments that we invested in last year. We have also developed our internal checklists and guidance for supplier sustainability assessments and formed a dedicated workstream for responsible sourcing practices. The workstream has thus far reviewed and further strengthened our procedures to safeguard the responsible sourcing of minerals which includes better support to our suppliers in their due diligence efforts. In addition, training in human rights due diligence is offered in our internal learning platform.

The upcoming EU due diligence directive references the same international frameworks as the EU taxonomy, and we have therefore chosen to see its requirements as guiding also in the EU taxonomy reporting in wait for best practice to develop. The EU Commission's FAQ from November 2024 supports this approach.

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Concluding comments

A similar revenue eligibility is reported in 2024 as previous years. Focus has been on strengthening processes relating to the Minimum Safeguards and biodiversity in particular. We have also agreed on common circularity principles to be used in product development as of 2025.

In principle our company policies and procedures correspond with EU taxonomy requirements, however we have chosen to continue our conservative compliance interpretation of the Minimum Safeguards and therefore report 0% alignment on all three KPIs. As mentioned, we find it difficult to assess the pollution prevention criteria given that they exceed existing regulatory requirements.

We monitor the developments around the EU taxonomy closely. As reporting practice and guidelines develop, we may reevaluate our current approach especially following the announced EU omnibus simplification package which is said to impact the EU taxonomy.

Clarification in how to perform alignment assessment of so called enabling activities is also likely to impact our EU taxonomy reporting as many of our technologies and solutions contribute to a more low-carbon society and are essential in several manufacturing processes included in the EU taxonomy.

In accordance with EU taxonomy requirements, we report as follows referring to nuclear and fossil gas related economic activities and their potential impact on the denominator of our KPIs.

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	**NO**
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	**NO**
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	**NO**

Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	**NO**
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	**NO**
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	**NO**

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Revenue KPI

	Financial year N	2024			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
	Economic activities	Code	Revenue (MSEK)	Proportion of Revenue, year N (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) Revenue, year N-1	Category enabling activity	Category transitional activity
A.	**TAXONOMY-ELIGIBLE ACTIVITIES**																			
A.1	**Environmentally sustainable activities (Taxonomy-aligned)**																			
	Manufacture of other low-carbon technologies	CCM 3.6	0.0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	Revenue from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
	Of which Enabling		0.0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	Of which Transitional		0.0	0%	N/EL													0%		
A.2	**Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
	Manufacture of other low-carbon technologies	CCM 3.6	113 748.1	64.35%	N	N/EL	N/EL	N/EL	N/EL	N/EL								65.34%		
	Revenue from Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) [1]		113 748.1	64.35%	**64.35%**	**0%**	**0%**	**0%**	**0%**	**0%**								**65.34%**		
A.	**Revenue from Taxonomy-eligible activities (A.1 + A.2) [1]**		**113 748.1**	**64.35%**	**64.35%**	**0%**	**0%**	**0%**	**0%**	**0%**								**65.34%**		
B.	**TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
	Revenue from Taxonomy-non-eligible activities		**63 022.8**	**35.65%**																
	TOTAL [2]		**176 770.9**	**100%**																

Y = Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
N = No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL = Not eligible, taxonomy non-eligible activity for the relevant environmental objective

[1] Substantial contribution criteria percentage reported in accordance with guidance from FAR, the institute for the accountancy profession in Sweden
[2] See page 114

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CapEx KPI

	Financial year N	2024			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
	Economic activities	Code	CapEx (MSEK)	Proportion of CapEx, year N (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year N-1	Category enabling activity	Category transitional activity
A.	**TAXONOMY-ELIGIBLE ACTIVITIES**																			
A.1	**Environmentally sustainable activities (Taxonomy-aligned)**																			
	Manufacture of other low-carbon technologies	CCM 3.6	0.0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	Transport of motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	Installation of energy efficiency equipment	CCM 7.3	0.0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	Installation of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	Installation of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	Installation of renewable energy technologies	CCM 7.6	0.0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
	Of which Enabling		0.0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	Of which Transitional		0.0	0%	N/EL													0%		
A.2	**Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
	Manufacture of other low-carbon technologies	CCM 3.6	2 859.1	17.38%	N	N/EL	N/EL	N/EL	N/EL	N/EL								12.21%		
	Transport of motorbikes, passenger cars and light commercial vehicles	CCM 6.5	611.1	3.72%	N	N/EL	N/EL	N/EL	N/EL	N/EL								4.43%		
	Installation of energy efficiency equipment	CCM 7.3	32.3	0.20%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.10%		
	Installation of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	10.1	0.06%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
	Installation of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.4	0.00%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
	Installation of renewable energy technologies	CCM 7.6	44.0	0.27%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.06%		
	CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) [1]		**3 557.0**	**21.63%**	**21.63%**	**0%**	**0%**	**0%**	**0%**	**0%**								**16.82%**		
A.	**CapEx of Taxonomy-eligible activities (A.1 + A.2) [1]**		**3 557.0**	**21.63%**	**21.63%**	**0%**	**0%**	**0%**	**0%**	**0%**								**16.82%**		
B.	**TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
	CapEx of Taxonomy-non-eligible activities		**12 890.6**	**78.37%**																
	TOTAL [2]		**16 447.6**	**100%**																

Y = Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
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N/EL = Not eligible, taxonomy non-eligible activity for the relevant environmental objective

[1] Substantial contribution criteria percentage reported in accordance with guidance from FAR, the institute for the accountancy profession in Sweden
[2] See page 114, the Total CapEx difference is explained in 'CapEx KPI' above

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OpEx KPI

	Financial year N	2024			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
	Economic activities	Code	OpEx (MSEK)	Proportion of OpEx, year N (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year N-1	Category enabling activity	Category transitional activity
A.	**TAXONOMY-ELIGIBLE ACTIVITIES**																			
A.1	**Environmentally sustainable activities (Taxonomy-aligned)**																			
	Manufacture of other low-carbon technologies	CCM 3.6	0.0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
	Of which Enabling		0.0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
	Of which Transitional		0.0	0%	N/EL													0%		
A.2	**Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
	Manufacture of other low-carbon technologies	CCM 3.6	2 745.7	33.94%	N	N/EL	N/EL	N/EL	N/EL	N/EL								28.96%		
	OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) [1]		**2 745.7**	**33.94%**	**33.94%**	**0%**	**0%**	**0%**	**0%**	**0%**								**28.96%**		
A.	**OpEx of Taxonomy-eligible activities (A.1 + A.2)** [1]		**2 745.7**	**33.94%**	**33.94%**	**0%**	**0%**	**0%**	**0%**	**0%**								**28.96%**		
B.	**TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
	OpEx of Taxonomy-non-eligible activities		**5 343.6**	**66.06%**																
	TOTAL		**8 089.3**	**100%**																

Y = Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
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[1] Substantial contribution criteria percentage reported in accordance with guidance from FAR, the institute for the accountancy profession in Sweden

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As a global industrial Group, our value chain connects us with a large number of individuals. This brings a significant responsibility to make sure our business has a positive impact, and to promote the rights and interests of our stakeholders.

OUR OWN WORKFORCE

To secure the Atlas Copco Group's strategic direction, we rely on competent people who are passionate about their jobs and committed to delivering customer value. Our focus lies on attracting, retaining and developing diverse people with the right mindset and skills, and enabling them to grow with freedom and accountability. In Atlas Copco Group, we firmly believe that diversity and inclusion has a positive impact on our workforce and that it strengthens employee engagement, while contributing to innovation and better decision-making. We address occupational health and safety risks and promote a safe and sound working environment for our employees throughout our operations.

Policies related to our own workforce

To support our work, we have a number of Group-wide policies and guidelines, as described throughout this chapter. Atlas Copco Group's Code of Conduct is the central guiding policy underscoring our commitment to upholding human rights and labor rights, including fair wages and working conditions, freedom of association, and zero-tolerance for modern slavery or child labor. The Code of Conduct also includes our commitment to maintaining a safe and inclusive working environment with equal opportunities, where all our employees have the opportunity to thrive and grow.

See page 35 for further information on the scope and implementation of the Code of Conduct and SHEQ policy.

Employee engagement

Building and maintaining relationships with the Group's employees, based on integrity, fairness and respect, is a vital part of our culture. It is central to understanding our people and what drives them, and helps fostering trust and motivation.

We value our employees' opinions and are dedicated to providing an inclusive environment where everyone feels a sense of purpose and belonging, are motivated to contribute and is given the opportunity to develop and reach their full potential.

Regular engagement surveys

Every two years, we measure the engagement, motivation and well-being of our employees through Insight, the Group's global engagement survey. The survey brings important insights in the following areas: employee engagement, Group culture, safety and leadership, and diversity and inclusion. See the targets and results in the table below, and in the table on page 63.

In the most recent survey, two areas emerged as particularly prioritized from a Group perspective. One is about maintaining the customer perspective, and keeping pace with customer needs and expectations. The second is about ensuring a strong culture, by further increasing our focus on treating all employees fairly and respectfully. The results are followed up in workshops led by our managers, where concrete actions are shaped to further strengthen employee engagement and our culture.

To gather additional feedback at other significant stages during an individual's employment with the Group, the Insight survey is complemented by global onboarding, internal mobility, and off-boarding surveys.

Insight: Improved employee engagement

The overall results of the 2023 engagement survey were above the global benchmark. The results also show that our employees were more engaged than in 2021, as 16 out of the 29 scores showed improvement. This included key focus areas of leadership, collaboration, and safety/well-being. The survey in 2023 saw the introduction of a Diversity & Inclusion index, comprised of six key indicators. For example, we started to measure our manager's commitment to diversity and inclusion and if the Group has a work climate where diverse perspectives are valued.

The high level of engagement was reflected by the 40 000 comments, with 30% of employees leaving at least one comment. The response rate was 90%, which is above the global benchmark.

Key performance indicators	Target	2024	2023	2022	Comment
Employees feel a sense of belonging in the company [1]	Above benchmark (73) and a continuous increase	–	77	–	Measured through the employee survey every two years.
Employees agree there is opportunity to learn and grow in the company [1]	Above benchmark (72) and a continuous increase	–	75	–	
Employees agree there is a work culture of respect, fairness and openness [1]	Above benchmark (76) and a continuous increase	–	76	–	
Share of female employees, by year end	30% by 2030	22.4%	22.0%	21.6%	

[1] Scores based on scale 0–100 where 0 is "strongly disagree" and 100 is "strongly agree". The survey provider's proprietary benchmark for global companies is based on anonymized data from the survey provider's customer base with tens of millions of respondents in more than 150 countries, together with input from industry panel studies to produce robust and unbiased normative data.

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Training and skills development

Our approach and policies

Atlas Copco Group's success depends on our ability to attract and develop people with a commitment to lifelong learning and with a growth mindset. We have a strong culture of actively promoting continuous learning and encourage our employees to take charge of their own professional development.

Encouraging internal and international mobility is a central part of this approach. The Global Mobility Policies state the terms and conditions that apply to cross-border employee transfers. Our Internal job market policy describes the principles and guidelines that apply to be able to offer a transparent and fair market for recruitment within the Group.

Actions and resources

To support our employees, we provide opportunities and tools for continuous development. The importance of learning from colleagues is also emphasized, and we facilitate internal mobility through the Group's internal job market, available to all employees.

Developing future-proof leaders

Leadership development is fundamental to the Group's success. We define leadership as the ability to create lasting results through people and we strive to develop leaders with the ability to coach and develop teams and individuals to reach their full potential.

Our Group Leadership Portfolio offers personalized learning through both virtual and face to face modules. In 2024, new modules were launched focusing on topics such as global leadership, psychological safety, and AI (artificial intelligence).

Ongoing feedback and coaching

Our leaders are accountable for developing their teams through ongoing feedback and coaching. The Group's process for performance and development dialogues is designed to increase the quality and frequency of feedback. The process includes setting performance and development goals at the start of each year and a follow-up evaluation from managers at year end. To provide timely and constructive feedback, managers are also encouraged to have continuous check-ins with employees throughout the year.

Learning management system

Our group-wide learning management system, Learning Link, provides access to an extensive library of interactive learning content, that enables upskilling and reskilling. The content is personalized and packaged to address specific skills, functions or roles. In addition to the Group's own courses, users can also access more than 20 000 LinkedIn courses in 24 languages, covering everything from automation and artificial intelligence to business or creative topics.

Training targets and metrics

We have adopted a group-wide target related to training, with the ambition that the share of employees who agree that there is opportunity to learn and grow within the Group should be above the international benchmark and should increase continuously. This is measured every two years, see table on page 60.

Employees at year end that participated in a yearly performance and development discussion, per gender (headcount) %	2024
Female	85
Male	84
Other	83
Not disclosed	50
Total	**84**

Employees at year end that participated in a yearly performance and development discussion, (FTE) %	2024	2023	2022
Total	84%	81%	79%

Average training hours per employee, per gender (headcount) %	2024
Female	42.2
Male	45.2
Other	48.8
Not disclosed	4.6
Total	**44.5**

For 2024, headcount per year end has been used for calculation.

Average training hours per employee, (FTE) %	2024	2023	2022
Average training hours per employee	45.9	43.2	42.0

We also track the number of training hours, with the ambition of reaching 40 training hours per employee per year. Here, we focus on balancing mandatory training with on-demand training requested by the employees themselves. The number of training hours has increased steadily over the last three years and is well above the ambition of 40 hours.



Building an early talent pipeline

Atlas Copco Group seeks to build a diverse and innovative early talent pipeline to ensure that we have access to the right skills in the right place. Our Vacuum Technique business area has a number of early career programs, including a 2-year Global Graduate program, Apprenticeship, Year in Industry and Work Experience. The programs look to accelerate talent development, building future focused skills and creating career pathways with a strong focus on global mobility.



Never Stop Learning Festival – a part of our learning culture

The Group's annual event, the *Never Stop Learning Festival*, is a whole week dedicated to continuous learning to emphasize the importance of taking ownership of our own development and exploring our full potential. First launched in 2021, as a Group-wide learning week, it has since developed into an extended festival, with lunch and learn sessions, online activities, webinars, and panel discussions. Although we always stress the importance of integrating learning into our daily work, the Never Stop Learning Festival provides an opportunity for our employees to go outside their daily routines and focus on acquiring new skills.

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> **Atlas Copco Group is committed to providing equal opportunities for all our employees.**

Diversity and inclusion

Our approach and policies

With more than 55 000 employees at year end, of around 130 nationalities, we are committed to providing an inclusive work environment where everyone is treated with respect, feels seen and heard, and is able to realize their full professional potential.

The Group's Diversity and Inclusion guideline covers all employees, including additional workforce, and states that we strive for diversity and inclusion in every aspect of our operations. We should provide equal opportunities to all applicants and employees, and no one should be discriminated based on ethnicity, religion, gender or gender identity, age, nationality, disability, sexual orientation or political opinion.



Actions and resources

The Group's Diversity and Inclusion council is chaired by the Group's President and CEO, and includes representatives from all business areas, as well as from the functions Group communications, human resources, and accounting and controlling. The council meets regularly to follow up on action plans and results in the operations. The work is mainly driven by business area task forces and ambassadors in each operational entity.

Group companies establish local diversity guidelines that are aligned with the Group's policy, local laws and regulations, and local conditions. Anti-harassment and non-discrimination issues are addressed in the Group's mandatory ethics training.

Diversity targets and metrics

Achieving a better gender balance is a key priority when it comes to improving employee diversity. We address this through the target of 30% women employees in the Group by 2030. In 2024, progress was made towards a better gender balance with 22.4% (22.0) women employees by year end.

We have adopted a group-wide target in the area with the ambition that the share of employees who feel a sense of belonging in the company, should be above the international benchmark and continuously increase. This is measured every two years, see table on page 60.

In the Group's employee survey Insight in 2023 we introduced a Diversity & Inclusion index, and started measuring and reporting on six key inclusion indicators.

Share of women at year end, %	2024	2023	2022
All employees	22.4	22.0	21.6
Managers	21.1	20.6	20.4
Group management	30.0	33.3	33.3
Board of Directors [1]	44.4	37.5	25.0

[1] Excluding worker representatives.

Senior management by gender (headcount), at year end	2024	
	Number	%
Female	88	15
Male	506	85
Other	0	0
Not disclosed	0	0
Total	**594**	**100**

The Group has managers on international assignments coming from 44 countries and working in 47. In 2024, a total of 77% (77) of all senior managers were locally employed. 43 (42) nationalities were represented among the most senior managers in the Group.

Employees by age group, FTE, at year end (%) *	2024	2023	2022
<30 years	21	21	21
30–50 years	60	60	61
>50	19	19	18

* Based on employees in countries allowing age disclosure. Age is not disclosed for 13% of employees.

Equal pay for work of equal value

Atlas Copco Group is committed to providing equal opportunities for all our employees. This includes ensuring equal pay for work of equal value. As stated in our Code of Conduct and Total Rewards philosophy, the Group is committed to reward performance in a fair way and to provide total rewards that are determined in an objective manner and based on merit only. In order to ensure compliance with current and future legislation we are continually developing and improving our policies and procedures. We are also performing readiness assessments.

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Occupational health and safety

Our approach and policies

Providing a safe and sound working environment is critical to our employees' health, well-being and motivation, as well as to the Group's productivity, competitiveness and value creation. This commitment is reinforced in our Safety, Health, Environment and Quality policy (SHEQ), which applies to all our employees, additional workforce and others affected by our operations. The SHEQ policy requires robust standards for safety and well-being in the workplace. This includes risk assessments and safety procedures, training, appropriate follow-up procedures, and transparent reporting.

The Group Travel Policy is designed to support and guide all employees to a sustainable and safe way of travel. All employees are covered by a program provided by International SOS to ensure proactive and reactive care during all business travel. The Travel Security Policy includes instructions regarding restrictions and precautions to be followed based on the country risk forecast information provided by an external partner.

Supporting the well-being of employees

A Group-wide framework for well-being has been developed to help leaders understand employees' needs and how to support them. The framework is made up of four connected areas; a sense of purpose, social connectedness, physical well-being, and mental well-being. A supplementary guide is available which includes reference material and examples of initiatives at the individual, team and/or operational level, such as time management training, or mental health training and webinars.

Most prevalent safety risks

Our employees face various types and levels of risk in their everyday work life. The work in our operations is performed in a strictly controlled environment. Although many procedures are automated, manual procedures remain, which may imply health and safety risks. Employees may also be exposed to risks when travelling internally or to visit customers and other business partners, or while undertaking service and maintenance on equipment at customers' sites. Other risks involve psychosocial aspects, related to for example workloads or work-life balance.

Over the last few years, the major hazards reported for high-consequence injuries have been slips and trips, and manual handling of equipment. Among the actions to mitigate hazards are awareness training and risk assessments of working environments, inspections, mechanical handling aids, and ensuring safe access to equipment.

Creating a culture of awareness

We seek to reinforce a culture and behaviors that contribute to the safety and well-being of our employees and contractors in the workplace. We engage everyone in improving safety practices and reducing health and safety risks. An online SHEQ awareness training is available to all employees. The training is part of our work to create strong awareness and a culture that supports an incident-free workplace. We also encourage the immediate reporting of near-misses, incidents and risk observations. This is critical to raising the awareness of risks and to developing an effective preventative work.

Robust safety standards

Each division sets targets and develops action plans to increase awareness and improve behavior and processes. The Group's SHEQ council oversees the work and supports the organization in strengthening local competencies, including the development of Group-common policies, guidelines and processes for local implementation, sharing of best practices and lessons learned.

All companies in the Group must have a Safety, Health, Environment and Quality management system which is documented, implemented and maintained on an ongoing basis. Customer centers and rental companies with more than 70 employees, and product companies with more than 20 employees shall be certified according to ISO 45001. The system involves regular risk assessments and review of safety-related processes relevant to the activities of our own employees and of contractors in our operations. See the table on page 36 for the percentage of employees covered by a health and safety management system.



Psychological safety helps future-proofing our business

Psychological safety is an essential ingredient for healthy organizations where employees feel encouraged to speak up and share ideas without fear of being judged. It increases employees' ability to be productive, creative and innovative and is therefore central to future-proofing our business. In 2024, a dedicated program to further increase the awareness of psychological safety among senior leaders was piloted and rolled out as part of our Group Leadership Portfolio. The program received positive feedback and will be scaled further in 2025. Additional activities were launched to drive awareness at different levels of the organization, including an introduction video to psychological safety available for all employees, dedicated playlists, and a toolkit for managers with practical tips for use in day-to-day operations.

Key performance indicators	Target	2024	2023	2022	Comment
A balanced safety pyramid [1]	Yes	Yes	Yes	Yes	
Employees agree that the company takes a genuine interest in their well-being [2]	Continuous increase	–	74	–	Measured through the employee survey every two years.

[1] Balanced meaning that we receive more reports on risk observations than near misses, more near misses than minor injuries, and more or equal reports of minor injuries relative to recordable injuries.

[2] Scores based on scale 0–100 where 0 is "strongly disagree" and 100 is "strongly agree".

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Safety, health and well-being day

Each year, since 2015, Atlas Copco Group holds a Safety, Health and Well-being Day in all of our operations. The objective is to emphasize safety at work and to reinforce our safety and health culture by giving everyone the possibility to openly discuss current working conditions and how we can improve them further for employees and customers using Atlas Copco Group products. Each entity decides on the scope and focus of their Safety, Health and Well-being Day to meet the local concerns in this area.

Health and safety targets and metrics

Key performance indicators on safety and well-being are continuously monitored by local management, and followed up by Group Management, and divisional and business area management, in connection with the quarterly reporting of sustainability data.

Progress is also followed up every two years in the global employee engagement survey, where the target is that the share of employees who agree that the Group takes a genuine interest in their well-being should increase continuously. The 2023 employee survey confirms that this share has increased compared to in 2021.

We also monitor our performance by using a safety pyramid, where our target is that the pyramid should be balanced, see page 63. Reporting risk observations and near misses contributes to raising awareness of conditions and behaviors that may lead to actual incidents. The insights form a stable starting point for well-directed preventive work in the area. In 2024, the result was in line with this target, see the illustration below.

Work-related health and safety	Per million working hours			Number		
	2024	2023	2022	2024	2023	2022
Work-related fatalities						
Fatalities (work-related injuries)	0	0	0	0	0	0
Work-related injuries						
Total high-consequence injuries, total workforce	0.0	0.0	0.0	5	4	4
High-consequence injuries (employees)	0.0	0.0	0.0	5	4	4
High-consequence injuries (additional workforce)	0.0	0.0	0.0	0	0	0
Total recordable injuries, total workforce	4.0	4.5	4.2	442	469	403
Recordable injuries (employees)	4.0	4.4	4.3	421	429	375
Recordable injuries (additional workforce)	3.5	6.1	3.6	21	40	28
Total minor injuries, total workforce	12.3	14.1	13.2	1 351	1 479	1 261
Lost days [1]						
Lost days due to recordable injuries, employees	–	–	–	6 176	–	–

[1] Lost days is calculated based on working days, not calendar days.

Sick-leave, employees (%)	2024	2023	2022
Sick-leave due to diseases and recordable injuries	2.3	2.3	2.5

Safety pyramid 2024 – total workforce, number



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Additional information on working conditions

Engaging with own workforce and employee representatives

Atlas Copco Group views labor unions and employee representatives as a valuable support for our employees, and bases the relationships with these parties on mutual respect and constructive dialogue. As stipulated by the Group's SHEQ policy, we consult employee representatives, and representatives of additional workforce, in decision-making processes on issues that affect them, particularly regarding health, safety and well-being issues. The Board of Directors includes two employee representatives, each with one personal deputy, who are elected to act on behalf of all employees.

As a decentralized organization, the Group's engagement and dialogue with labor unions takes place at a local level. In countries where no independent labor unions exist, measures are taken to establish forums for employer/employee relations, through environment and safety committees. Labor relations are followed up regularly at operational level and reviewed by internal audits.

Processes to remediate negative impacts and channels for own workforce to raise concerns

Establishing processes and channels for employees to voice their concerns is fundamental to our culture and to our ability to mitigate negative impacts. We strongly encourage our employees to raise issues and to report non-compliance matters or other concerns to their manager, their manager's manager, or the human resources department. The Group's global whistleblowing system, SpeakUp, is available if the reporter wishes to remain anonymous. See page 71 for more details on The SpeakUp system, including number of reported incidents, on page 72.

Freedom of association and collective bargaining

Labor practices and employee rights, such as collective bargaining, are covered by the Group's Code of Conduct. In 2024, 29% (28) of our employees (FTE) were covered by collective bargaining agreements. Employees not covered by collective agreements are protected by standards based on local and international benchmarks.

Collective bargaining and social dialogue, at year end, %	2024	2023	2022
Employees covered by collective bargaining agreement, headcount	29	–	–
Employees covered by collective bargaining agreement, FTE	29	28	29
Employees covered by workers' representatives, headcount	33	–	–

Collective bargaining and social dialogue per geography (headcount), at year end

	Collective bargaining coverage		Social Dialogue
Coverage Rate	Employees, EEA	Employees, Non EEA	Workplace representation EEA
0–19%	Denmark, Switzerland, Poland, Ireland, Hungary, Türkiye, Slovakia, Romania	North America, Africa/Middle East, Asia/Oceania	Türkiye, Switzerland, Slovakia, Portugal, Finland, Poland, Ireland, Romania, Greece
20–39%	Germany, Czech Republic		Spain, Czech Republic
40–59%	Greece		
60–79%	Netherlands	South America	Italy, Germany, Norway, Austria, Netherlands, Denmark
80–100%	Portugal, Spain, Italy, Sweden, Finland, Belgium, France, Austria, Norway		Belgium, Hungary Sweden, France

In case of operational changes that may significantly affect employees or result in giving notice, the Group follows local laws and regulations as well as collective bargaining agreements. The need for transition assistance programs is assessed at local level and the support provided through such programs is adapted to the situation at hand and to local market conditions. The Group's internal job market is available to all employees and provides opportunities for internal mobility.

Adequate wages

Our employees' performance should be rewarded in a fair way. Legislated minimum wages should always be considered a minimum level rather than a recommended level. Within the Group, total rewards is defined as an individual's salary, benefits, well-being and career development. Compensation, and the related practices and processes, should be based on the following guiding principles: they should be performance-based, attractive, transparent, differentiated and inclusive.

Variable compensation is based on the Group's performance and the performance of each individual. Salaries are reviewed annually following the salary review process in place in the local company. We also provide a number of different pension solutions depending on location and local regulation. Our aim is to provide financial security after retirement.



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Workforce characteristics

Atlas Copco Group is a significant employer on the global market. As a customer-focused company, 49% (48) of all employees work in marketing, sales or service. The Group continuously strives to grow local leaders.

Geographical spread of employees at year end (FTE), %	2024	2023
North America	15	16
South America	5	4
Europe	44	44
Africa/Middle East	3	3
Asia/Oceania	33	33
Total	**100**	**100**

Geographical spread of nationality of senior managers at year end (FTE), %	2024	2023
North America	10	11
South America	5	5
Europe	67	66
Africa/Middle East	3	3
Asia/Oceania	15	15
Total	**100**	**100**

Employees by professional category at year end (FTE), %	2024	2023
Production	25	26
Marketing	8	8
Sales and support	13	13
Service	28	27
Administration	16	16
Research & development	10	10
Total	**100**	**100**

Geographical spread of additional workforce at year end (FTE), %	2024	2023
North America	15	13
South America	1	2
Europe	42	44
Africa/Middle East	1	1
Asia/Oceania	41	40
Total	**100**	**100**

Additional workforce by professional category, at year end (FTE), %	2024	2023
Production	37	41
Marketing	3	3
Service	18	14
Administration	18	19
Research & development	24	23
Total	**100**	**100**

Number of employees by contract type and gender (headcount), at year end

	Female	Male	Other	Not disclosed	Total
Employees	12 726	43 035	12	2	**55 775**
– of which permanent employees	12 564	42 689	12	2	**55 267**
– of which temporary employees	162	346	0	0	**508**

New employee hires and employee turnover

The total number and rate of external new employee hires (FTE) in 2024 was 6 940 (7 936) which constitutes 13% (16) of the total average number of employees during the year. The percentage of externally recruited female employees was 26% (26).

Turnover, %	2024	2023	2022
Headcount			
Total number of employees that have left the company	6 453	–	–
Total turnover, %	11.6	–	–
FTE			
Number of employees that have left the company (voluntary leave)	3 287	3 158	3 667
Turnover (voluntary leave), %	6.1	6.2	8.0

Employee turnover is presented both based on headcount, where data is available only for 2024 and on FTE where data is available for earlier years. The turnover data based on headcount includes all employees that left the company, while the turnover based on FTE includes voluntary leave only. For 2024, headcount per year end has been used for calculation. For the datapoint % turnover headcount, the denominator is based on headcount per year end due to data availability. For the datapoint % turnover FTE, the denominator is based on average number of FTE during the year.

Comments to workforce data

Employee data is compiled from local units, with the assumption that employees work in the country of the reporting local unit. Number of employees by gender, country and contract type are presented as headcount per year end.

The FTE (full time equivalent) methodology applied is where one FTE corresponds to the normal full working hours in the local unit. Overtime hours is not considered as additional FTE. The FTE calculation is based on the contract terms at the end of the period.

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Number of employees by country (headcount), at year end	2024
China	7 577
Usa	7 237
Germany	6 217
Belgium	4 455
India	3 526
United Kingdom	2 994
South Korea	2 661
Czech Republic	1 983
Brazil	1 778
Sweden	1 720
France	1 547
Italy	1 520
Taiwan	867
Japan	823
Australia	818
Mexico	814
Spain	670
Türkiye	667
Netherlands	588
Canada	580
Poland	444
United Arab Emirates	409
Chile	351
Singapore	347
Indonesia	320
Malaysia	292
Thailand	284
South Africa	284
Switzerland	276
Slovakia	257

Number of employees by country (headcount), at year end	2024
Hungary	222
Saudi Arabia	213
New Zealand	206
Philippines	200
Egypt	175
Austria	175
Peru	172
Ireland	158
Denmark	158
Vietnam	157
Romania	123
Finland	119
Portugal	114
Argentina	111
Colombia	110
Norway	106
Morocco	90
Israel	80
Algeria	79
Russia	72
Kazakhstan	66
Kenya	63
Pakistan	58
Greece	51

Characteristics of non-employees

Non-employees in own workforce (headcount), at year end	2024
Additional workforce	3 080



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WORKERS IN THE VALUE CHAIN

With more than 7 700 significant suppliers* worldwide, Atlas Copco Group has a significant indirect impact on societies through our value chain. By endorsing internationally recognized frameworks relevant to business and human rights, we strive to be an ambassador with a positive influence on the working rights and conditions of individuals in our value chain.

Some of our suppliers are located in countries with an inherent risk to workers' rights, including risks related to forced labor, child labor or human trafficking. By setting high standards for our suppliers, we work actively to uphold labor and human rights and to minimize the likelihood of human rights breaches.

Policies related to value chain workers

The Group's central policy document, our Code of Conduct, has been developed based on international standards such as the United Nations International Bill of Human Rights, the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and the UN Guiding Principles for Business and Human Rights.

We are committed to upholding ethical conduct in all business interactions and expect all business partners to follow our Code of Conduct, which is available in more than 30 languages on our Group website. All significant business partners, including those located in risk countries, must commit to the Code of Conduct by signing our Business Partner Criteria document. The two documents state our expectations on our business partners when it comes to human rights and working conditions, including offering a safe and healthy work environment, respect for freedom of association, and zero tolerance for modern slavery or forced labor, child labor, discrimination and harassment.

Our Code of Conduct is complemented by our Human Rights Statement, which was updated in 2024 and expands on the Group's commitment to respect and support human rights. The statement reflects our corporate responsibility as defined in the United Nations Guiding Principles on Business and Human Rights, which we have adopted.

Actions and processes

Atlas Copco Group seeks to identify, prevent and mitigate any risks of adverse human rights impacts and working conditions that are associated with our own operations or our value chain. We have established processes, aiming to ensure that our business partners' practices are aligned with our standards and with internationally recognized frameworks. Through a risk-based approach, we direct our actions and resources to the markets where there is a heightened risk for human rights violations or poor working conditions.

Evaluation and monitoring of business partners

Several aspects are considered during the business partner selection process. This includes screening for risks related to human rights and labor rights to ensure that Atlas Copco Group's expectations are being fulfilled. In 2024, we initiated onboarding of a new platform for systematic management of supplier sustainability risk and performance.

In connection with the onboarding process, business partners in complex markets or for significant contracts are required to sign our Business Partner Criteria document. We also encourage business partners to take our Code of Conduct training which is available on our Group website.

Following our risk-based approach, we conduct on-site audits, which include labor and human rights issues, and an assessment of working conditions. In case potential negative impacts on workers are discovered, we cooperate with the business partner through conditional action plans and monitor the implementation and effectiveness of remedial measures. If a business partner fails to uphold our standards and does not improve, this may lead to a termination of the relationship as a last resort. See page 73 for more details on how we work with suppliers.

Engaging with value chain workers

We build and maintain close relationships with our business partners, in which we actively promote human and labor rights through our Business Partner Criteria signing and follow-up process. We also gain insight into their operations and working conditions via site visits and during the onboarding process of new suppliers. All Group employees undergo a Code of Conduct classroom training, which covers human and labor rights topics. This makes them better equipped to deal with and discuss challenging situations that they may encounter. Through a risk-based approach, we prioritize business partner follow-up in high-risk markets, i.e. markets where adverse impacts are more likely to occur and where workers might be more exposed and vulnerable. Direct engagement with workers in the value chain consists of interaction through onsite audits of selected suppliers. Through an external third-party solution we evaluate and audit suppliers and this process supports the verification of sound business practices within our supply chain.

All concerns related to the treatment of workers in our value chain are taken seriously. The Group's whistleblowing system, SpeakUp, is available through our global website to all workers in the value chain who wish to raise concerns related to us. The system is operated through a third party, and reporters are guaranteed anonymity. All cases are handled and followed up by an impartial investigator, and we collaborate with our business partners to remediate any confirmed allegations of misconduct. Read more about the system in the Governance section on page 71.

Targets

Our target is that 100% of our significant business partners commit to our Code of Conduct, by signing our Business Partner Criteria document. Their commitment needs to be reconfirmed every five years. At the end of 2024, 91% of our significant suppliers* had signed the compliance statement. We also measure annually and follow up the number of suppliers audited on social or environmental issues, including the number of approved, conditionally approved and rejected suppliers. See page 73.

From 2025 onwards, as part of our updated sustainability targets, we will measure and report the share of significant direct material suppliers engaged in assessment on environmental, social and governance aspects. Work on improvements will take place in dialogue with the respective supplier.

* Significant suppliers to production and distribution units.

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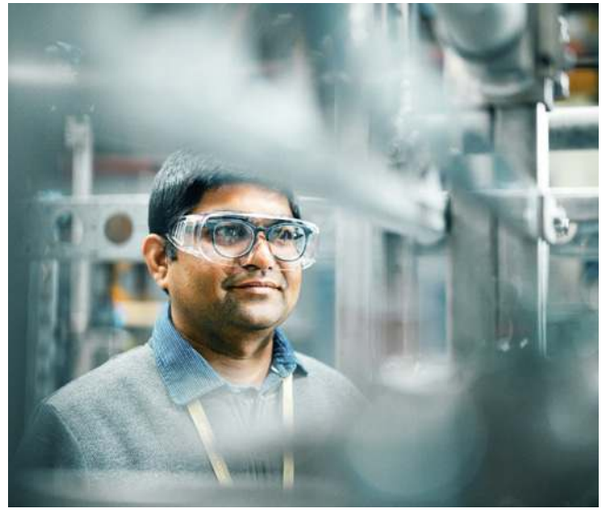
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SAFETY OF END USERS

We provide and deliver a large range of technologies, products and services that are used in a great variety of industries and applications. Our customers rely on us to provide technologies, products and services that help them improve the efficiency and productivity of their operations, while being safe and ergonomic to handle. Failure to meet safety and ergonomics expectations could be harmful to our brand and business, and may entail legal and regulatory risks. Working systematically to ensure the safety of our products is therefore in focus in our product development process, and throughout our operations, and key for creating customer value and maintaining long-term customer relationships.

Policies related to safety of end users

We strive to live up to our customers' expectations and according to our Code of Conduct and SHEQ policy our products and services are developed to meet the productivity, quality, functionality, safety and environmental needs of our customers. Our products must also be compliant with relevant laws and regulations, including regulations regarding the health and safety of end users.



Our products are also properly tested, when required, for safety prior to introduction, and are delivered with relevant product, service and safety information.

Engaging with end users about impacts

Customer focus is a guiding principle for Atlas Copco Group and our ambition is to build close relationships with our customers. Surveys are conducted regularly to learn from customers' experience and opinions about their interaction with us and about our products and services. Customers are also often engaged directly in feedback discussions to help us identify areas of improvement regarding our products and services, including safety aspects.

Actions to manage impacts, risks and opportunities

Safety aspects embedded in product development

Operator safety and experience is an integrated part of the product development process. This may include risk assessments and testing to discover areas of improvement. Safety aspects are important for each phase of the product's life cycle, from its design to disposal. By developing solutions based on automation and digitization of products and services, both efficiency and safety for our customers and end-users increase continuously.

Product safety training

Product safety training is offered to all relevant employees, including field service engineers, as part of their onboarding and continuous competency development. Customer training is available when relevant to secure the safe handling of our products. We also ensure that our products include operating instructions, safety warnings, proper labels and markings to help our customers use our products safely.

External certifications

To align with ISO 9001 Quality Management, many of the Group's products hold external certifications and markings, such as CSA, SEMI, ETL, ATEX among others. Obtaining and maintaining these certifications include routine external audits by independent third parties.

Monitoring of product and service safety performance

We make sure that any potential product-related safety incidents are reported and followed up until satisfactory closure. Incidents are thoroughly investigated, by internal experts, to determine their root cause and what corrective actions should be taken, such as potential changes to the product, retrofit campaigns, product recalls and field service activities at customers. When required, performance is tracked and the result is reported to responsible managers.

Targets and metrics

Certifications

Atlas Copco Group strives for all major operating units to be triple-certified according to the management system standards ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety). See page 36 for the number of operating units certified according to the respective standard.

Customer satisfaction

At divisional level, a number of key performance indicators on customer satisfaction have been established, which are continuously followed up. That the Group's products and services meet customer expectations in terms of safety and health aspects is a central part of customer satisfaction.

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Water for All: Employee community engagement

As stated in our Code of Conduct, Water for All is Atlas Copco Group's main community engagement initiative. Through the dedicated and passionate work of volunteering employees, Water for All funds projects which empower local communities all over the world through access to clean drinking water, sanitation and hygiene. In this way we are contributing to healthy societies, free from conflict and poverty, and help to support vulnerable people's human rights. Women and young girls are particularly affected by the lack of water and sanitation. All projects supported by Water for All aim to positively impact the lives of women and girls in particular. All employee donations are matched with twice as much by the company.

In 2024, Water for All supported some 70 water and sanitation projects in 40 countries, in total reaching more than 200 000 people.

Being founded in 1984, Water for All celebrated its 40th anniversary in 2024. To mark the occasion, all local Water for All organizations have been invited to join a special anniversary project in Peru. This is the country of the very first Water for All project and we are partnering with the same NGO as then, namely Save the Children. Thus far eight Water for All organizations are contributing to the project (of which two are from Epiroc) which is a joint venture with the Peter Wallenberg Water for All Foundation. All in all the project will directly benefit 600 children in three different schools and more than 2000 community members indirectly.

Another milestone from this year is that Water for All is included in the Group targets for our upcoming strategy period, 2025–2027. This supports the continued success of this employee-driven initiative and confirms the company's commitment. It also reinforces the belief that access to clean water is a fundamental human right and that we see great benefits in offering our employees the opportunity to engage in the water issue as a way to grow and feel a sense of belonging. This can be done through voluntary donations or by getting involved in one of the local organizations.

Water for All is managed by a central coordinator who supports the global network of local ambassadors. We track our progress through mandatory annual reports, focusing both on quantitative achievements and qualitative best practice sharing.

Water for All is the main community engagement initiative of both Atlas Copco Group and Epiroc. The numbers convey Water for All's global achievements in 2024 including both companies.



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Atlas Copco Group promotes a culture of integrity through mutual respect, trust and ethical conduct in all business interactions, externally as well as internally.

BUSINESS CONDUCT AND CORPORATE CULTURE

As a global company with operations in around 180 countries and with more than 7 700 significant suppliers[2] around the world, Atlas Copco Group is committed to ethical business conduct and compliance throughout our own operations and our value chain.

Atlas Copco Group has operations and suppliers in some countries that are associated with high risks of corruption. Doing things the right way by upholding ethical business conduct strengthens our brand, maintains stakeholder trust and may also create business opportunities. A strong focus on the compliance with laws and regulations, and with the Group's Code of Conduct, also supports us in preventing financial losses due to, for example, fines and sanctions.

Business conduct policies and corporate culture

Atlas Copco Group builds trust by establishing relationships that are based on integrity, fairness and respect with those impacted by our operations. This is a vital part of our corporate culture and we expect the same ethical business conduct from our business partners.

The Code of Conduct is the Group's central policy document which sets out the fundamental ethical values and principles that apply to all employees, the Board of Directors, and to our business partners. The Code of Conduct is based on international standards such as the United Nations International Bill of Human Rights, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. It covers subjects such as bribery and corruption, inside information, conflicts of interest, fair competition, trade compliance, among others. Read more on page 35.

Adherence to the Code of Conduct is mandatory. Division presidents, and managers at all levels of the organization, are expected to support and promote adherence to Group values and policies. Internal control is exercised through distribution of responsibility and internal audits, including risk assessments. The Compliance Board oversees compliance with the Code of Conduct, which is approved annually by the Board of Directors.

Communication and training

To make sure that all employees are aware of our expectations, and to reinforce our commitment to business integrity and compliance, we put significant weight on communication, training and monitoring. All employees must complete a leader-led ethics training every two years. New employees are required to participate in the leader-led training within 12 months of joining the Group. Every employee is also required to take an annual training and sign a Code of Conduct compliance statement.

In 2023, an updated ethics training was rolled out to all employees in the Group. The training includes examples of ethical dilemmas, covering all aspects of the Code of Conduct, and participants are invited to discuss how the different situations should be handled. By the end of 2024, 99% had signed the annual compliance statement and 95% of our employees that were hired during the year had participated in the leader-led training.

Whistleblower function

To uphold our ethical business conduct, it is important that we are made aware of any suspected breaches of laws or of our Code of Conduct. Therefore, employees are strongly encouraged to report any non-compliance concerns to their manager, manager's manager, human resources department or Holding Vice Presidents. If this is not practical, or if the reporter wishes to stay anonymous, concerns can be raised through our global whistleblowing system, SpeakUp, which is hosted by an independent external party.

SpeakUp is publicly available, without any limitation, to anyone who wishes to report an incident to us. Thus all employees and other stakeholders, including workers in the value-chain and customers are welcome to raise concerns using the system. It is available 24 hours a day, 7 days a week, and voice or text messages can be left in more than 70 languages.

All cases are screened and assigned to an impartial investigator who conducts the investigation with the support of Group Legal. The investigations are professionally and confidentially handled, and there are routines in place to avoid potential conflicts of interest. Via the SpeakUp system, the investigating team can engage with the reporter during the investigation, and ask for or provide additional information and updates on the status and outcome of the investigation. The SVP Chief Legal Officer informs the Board about any critical concerns and annually about trends and statistics.

Key performance indicators	Target	2024	2023	2022	Comment
Employees sign the Group's Code of Conduct compliance statement annually	100%	99%	99%	99%	
Employees participate in the Group's biennial ethics training[1]	100%	–	99%	–	
New employees participate in the ethics training within 12 months	100%	95%	94%	–	Was first measured in 2023
Significant suppliers[2] sign the Code of Conduct compliance statement	100%	91%	90%	93%	
Significant distributors sign the Code of Conduct compliance statement	100%	94%	94%	92%	

[1] Excluding employees hired in 2023.

[2] Significant suppliers to production and distribution units.

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The Code of Conduct includes a non-retaliation commitment to all concerns raised in good faith and will never lead to adverse consequences for the reporting individual, even if it results in the loss of business. Anyone who retaliates against an employee, or other stakeholder, for speaking up, will be subject to disciplinary measures, including potential termination of employment.

To ensure that all employees are aware of the SpeakUp system, it is referred to in the mandatory annual Code of Conduct compliance statement training. Cases are received from all regions where the Group operates, which indicates that our employees are well aware of the system.

Reported concerns through SpeakUp, number	2024	2023	2022
Fraud	27	26	13
Labor relations, including discrimination and harassment	297	296	245
Corruption and regulatory breach	30	29	28
Conflicts of interest	31	21	7
Other	76	49	70
Total	**461**	**421**	**363**

In 2024, we received a total of 461 cases through the system. In 40 cases no evidence of wrongdoing was found and in 38 cases evidence could confirm that no wrongdoing had occurred. In 34 cases, appropriate disciplinary action, such as a written warning, were taken against one or several employees as a result of the investigations. In 19 cases weaknesses were found in internal processes which were followed up and remediated. One case was settled in court. The remaining cases were under investigation at year end.

There were no significant fines or non-monetary sanctions for non-competitive behavior or for non-compliance with laws and/or regulations in the social and economic area during the year.

CORRUPTION AND BRIBERY

Prevention and detection of corruption and bribery

Atlas Copco Group has a zero tolerance approach to bribery and corruption, directly or through third parties, including facilitation payments. Firm disciplinary actions will be taken on any violation of this rule. This applies to all employees, as well as to the Board of Directors, and in all business dealings and transactions in all countries where we operate.

Corruption or facilitation payments are never acceptable in order to secure a sale. This policy strengthens our culture and contributes to fair market competition. Employees that receive or pay bribes will be subject to disciplinary actions including potential termination of employment.

Dilemmas related to corruption and bribery are included in the biennial leader-led ethics training, as well as in the annual training on the Code of Conduct. These trainings are mandatory for all employees. In 2024, the Board of Directors was also invited to participate in the annual training on the Code of Conduct.

The Group conducts internal audits of all operational entities using a risk-based approach. Each entity is normally audited at least every five years. All internal audits include an ethical review and an audit of risks related to corruption. In 2024, 17% of all entities were audited and no significant risks related to corruption were identified during these audits.

Incidents of corruption and bribery

In 2024, Atlas Copco Group had no convictions or fines for violation of anti-corruption or anti-bribery laws.



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RELATIONSHIPS WITH BUSINESS PARTNERS

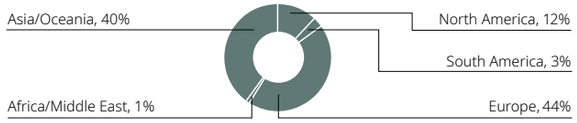
Working with business partners who share Atlas Copco Group's respect for human rights and standards regarding the environment, safety, quality and business conduct is central to efficiently manage risks and enhance sustainability along the value chain. We therefore work continuously to assess and reduce the risks associated with our value chain.

Our Code of Conduct is the backbone of our processes for a responsible value chain, reinforced by a signed commitment by significant suppliers* and distributors to follow the Code of Conduct, together with screening and regular on-site audits, and targeted training.

Our target is that 100% of our significant business partners commit to our Code of Conduct, by signing our Business Partner Criteria document. Their commitment needs to be reconfirmed every five years. The document has been translated into more than 30 languages and is available on the Group's website.

Relationships with suppliers

Atlas Copco Group has a large international supplier base, which presents challenges and risks can vary greatly between countries. We use a risk-based approach and prioritize evaluating significant suppliers, who represent the bulk of the purchase value, and suppliers in markets with high risks related to corruption, environmental practices or human rights. At the end of 2024, 91% of our significant suppliers had committed to our Code of Conduct by signing the Business Partner Criteria.



* Definition of significant suppliers: All external suppliers of goods and services, direct and indirect, to production and distribution units with a purchasing value above a set threshold, based on 12-month values from October previous year to September current year. For suppliers in countries with heightened risk for human rights violations, environmental risks or corruption etc., the purchasing threshold is lower (approximately 13% of set value).

The Group's purchasing strategies are decentralized to give the organization higher flexibility and to ensure the right competence. Purchasing councils oversee strategic purchasing practices at divisional level, and come together as a part of the Group's purchasing council to develop central policies and tools that impact all operations. Local purchasing helps create societal value in the communities where the Group operates, by creating job opportunities as well as generating direct and indirect income. This is primarily carried out by local companies, which decreases lead times as well as the environmental impact from transport.

Evaluation process

Significant suppliers are evaluated during and after selection on parameters based on international frameworks such as the UN Global Compact and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The evaluation is conducted by the product companies, primarily by personnel in the purchasing function.

The supplier evaluation process covers:

- Business partners' record of governance, ethics and stance against corruption
- Labor issues: Rejection of forced, compulsory or child labor, elimination of discrimination, safeguarding employee health and safety, collective bargaining rights
- Environmental performance: Waste management, chemicals management, minimizing emissions, and an efficient use of natural resources
- Human rights issues: Responsible sourcing and respect for human rights in operations

Suppliers are assessed using an ESG assessment tool and rating system. Audits, onsite or desktop, complement the assessment when considered necessary. The audits result in a report which may include concrete suggestions for improvements to be followed up at an agreed time. Atlas Copco Group can provide experience and know-how to suppliers who need support in order to comply with the minimum standards set forth in the Business Partner Criteria document. Suppliers who fail to meet the criteria and who do not show a willingness to improve are rejected.



Significant suppliers´ commitment [1]	2024	2023	2022
Suppliers, number	7 709	7 109	6 214
Suppliers asked for commitment to the Code of Conduct, number	7 409	6 929	6 029
Suppliers that confirmed their commitment to the Code of Conduct, %	91	90	93
Suppliers audited on safety, health, social, governance and environmental issues [2]	1 140	966	922
Approved suppliers (no need to follow up)	1 049	837	880
Conditionally approved suppliers (monitored)	91	129	41
Rejected suppliers (relationship discontinued) [3]	0	0	1

[1] Significant suppliers to production and distribution units.
[2] Audits are conducted by Atlas Copco Group teams directly at the suppliers' sites.
[3] Reasons for rejection relate to safety in the workplace, labor conditions, environment issues, or non compliance of laws. Suppliers are rejected if they do not meet the Group's requirements and are not willing to improve.

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Responsible sourcing of minerals

Mining and trading in certain raw materials can help finance armed groups in areas associated with human rights violations. Although the Group does not procure directly from smelters/refineries, some parts of our supply chain do. Atlas Copco Group is not in the scope of Dodd-Frank Act or the EU regulation 2017/821, but based on concerns of human rights abuse, including forced labor, human trafficking and child labor, and to support our customers in fulfilling their obligations according to these Acts, we take measures to detect and prevent the use of conflict minerals in our supply chain. During 2024 we have worked cross business areas to strengthen our processes in this area, including better guidance to our suppliers regarding our expectations on them.

Atlas Copco Group requires direct suppliers to commit to responsible sourcing of all minerals used in the parts and products they sell to us. This commitment is exercised through minerals data collection and due diligence, every year. Moreover, all significant suppliers must sign the Code of Conduct which includes an article on responsible sourcing of minerals. The process is described in detail on our website, www.atlascopcogroup.com.

Atlas Copco Group has a comprehensive program to ensure responsible sourcing and investigate the possible use of conflict minerals in the components used in our products. The program covers tin, tantalum, tungsten, gold and cobalt. Data collection and due diligence are conducted regularly using the Responsible Minerals Initiative (RMI) guidelines and reporting templates.

Atlas Copco Group is a member of the RMI and adheres to its guidelines by encouraging suppliers to source from smelters verified by a third party such as RMI's Responsible Minerals Assurance Process (RMAP). We also commit to transparency by disclosing information about smelters in our supply chain and collaborate with stakeholders.

Relationships with distributors and agents

Atlas Copco Group requires that all significant distributors* commit to our Code of Conduct by signing the Business Partner Criteria document. Distributors who represent the bulk of the sales value or who operate in high-risk markets are prioritized. At the end of 2024, 94% of our significant distributors had signed the compliance statement.

Atlas Copco Group has a large international distributor base. The Group's sales strategies are set by the divisions on a global level and are adapted to local market needs by the customer centers. The sales strategies include choice of sales channels and distributor management. The marketing councils ensure cross-divisional alignment and develop central policies and tools that impact all operations, including programs for distributor certifications.

Sales compliance process

General managers, and ultimately the divisional presidents, are responsible for the implementation of the Group's policies and guidelines and for making sales-related decisions. The business area trade compliance teams and Group's legal department support the organization on trade compliance matters, including issues of sanctions and export control.

The Group's customer sustainability assessment tool is made available to support identification and evaluation of potential environmental, labor, human rights and corruption risks.

Tax policy

Atlas Copco Group recognizes the key role that tax plays in advancing economic development and considers it vital to combat corruption and support sound business practices in order to create value for society. Atlas Copco Group believes in good corporate practice in the area of tax management, balancing the interests of various stakeholders, including governments and communities in the countries in which the Group operates. Atlas Copco Group does not engage in aggressive tax planning but instead takes care to pay the correct taxes in its countries of operation. The Group's tax policy can be found on the website www.atlascopcogroup.com. See note 8 of the consolidated financial statements for details of taxes paid, reported according to the International Financial Reporting Standards (IFRS).



Disclosing tax by country

Atlas Copco Group openly discloses the corporate income tax cost including the effective corporate tax rate in the annual report. Revenues, corporate tax costs and other key figures are reported via country-by-country reporting to tax authorities globally. Key figures for coming years will also become public under the EU Directive on public country-by-country reporting.

* Definition of significant distributors: All external distributors, including agents and resellers with sales of the Group's goods and services for a value above a set threshold, based on 12-month values from October previous year to September current year. For distributors, agents and resellers in countries with a heightened risk for human rights violations, environmental risks or corruption etc., the sales threshold is set to include all active distributors.

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Statement of use	Atlas Copco Group has reported in accordance with the GRI Standards for the period 1 January, 2024 to 31 December, 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	**Disclosure**		**Location**	**Comments and omissions**
General disclosures	Nr	Description		
GRI 2: General Disclosures 2021	2-1	Organizational details	18, 156–158	
	2-2	Entities included in the organization's sustainability reporting	156–158	
	2-3	Reporting period, frequency and contact point	33, 75	
	2-4	Restatements of information	33, 52–53	
	2-5	External assurance	81	
	2-6	Activities, value chain, and other business relationships	Inside cover, 8–11, 19–31, 37–38	For information on significant acquisitions and divestments, see pages 20, 23, 26 and 29.
	2-7	Employees	62, 66–67	*Omission:* The Group reports aggregate number of full-time equivalents. The figures broken down into full-time/part-time employees, and additional workforce by gender, are currently not available in the Group's HR system and cannot be reported.
	2-8	Workers who are not employees	66	*Omission:* Additional workforce may be temporary or permanent, generally employed by a third party. Additional workforce by gender or by type of contractual relationship is currently not available in the Group's HR system and cannot be reported.
	2-9	Governance structure and composition	34–36, 90–93	
	2-10	Nomination and selection of the highest governance body	92	
	2-11	Chair of the highest governance body	94	The chair of the board is not a senior executive of Atlas Copco AB.
	2-12	Role of the highest governance body in overseeing the management of impacts	34, 92	
	2-13	Delegation of responsibility for managing impacts	34	
	2-14	Role of the highest governance body in sustainability reporting	34	
	2-15	Conflicts of interest	92	The Atlas Copco Group operates in compliance with the Swedish Companies Act which includes rules and procedures applicable to conflicts of interest.
	2-16	Communication of critical concerns	65, 68, 71, 92	
	2-17	Collective knowledge of the highest governance body	92	
	2-18	Evaluation of the performance of the highest governance body	92	
	2-19	Remuneration policies	119–120	
	2-20	Process to determine remuneration	92–93	
	2-21	Annual total compensation ratio		*Omission:* Not reported at Group-level. Atlas Copco Group is committed to a fair and sustainable remuneration policy, both to stay competitive as an employer and from an internal equality perspective. We are currently not able to report on this disclosure in a meaningful manner, but remain committed to transparency in this regard.
	2-22	Statement on sustainable development strategy	3–4, 93	
	2-23	Policy commitments	35	
	2-24	Embedding policy commitments	35, 68, 71	
	2-25	Processes to remediate negative impacts	65, 68, 71–72	

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GRI Standard	Disclosure		Location	Comments and omissions
General disclosures	Nr	Description		
	2-26	Mechanisms for seeking advice and raising concerns	71	
	2-27	Compliance with laws and regulations	52, 72	In 2024, there were no accidents resulting in adverse environmental effects (0 in 2023). The Group's total clean-up costs amounted to KSEK 0 (0). There were no significant monetary sanctions for non-compliance with laws and regulations during the year.
	2-28	Membership associations	43	
	2-29	Approach to stakeholder engagement	39	
	2-30	Collective bargaining agreements	65	
Material topic disclosures				
GRI 3: Material topics 2021	3-1	Process to determine material topics	40–41	See more information on www.atlascopcogroup.com
	3-2	List of material topics	41	
	3-3	Management of material topics	6, 34–36	

ECONOMIC IMPACT				
Economic performance				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36	
GRI 201: Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	44	*Omission:* The assessment of climate-related risks and their financial implications has started at divisional level. However, the outcome is not yet consolidated and disclosed in quantitative terms outside the organization.
Anti-corruption				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36, 71	
GRI 201: Economic performance 2016	205-1	Operations assessed for risks related to corruption	72	*Omission:* The number of audited units is not reported.
	205-2	Communication and training about anti-corruption policies and procedures	71–73	*Omission:* The percentage of employees and business partners are not broken down by type or region.
	205-3	Confirmed incidents of corruption and actions taken	72	
Anti-competitive behavior				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36, 71–72	
GRI 201: Economic performance 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	71–72	

ENVIRONMENTAL IMPACT				
Energy				
GRI 3: Material topics 2021	3-3	Management of material topics	34–36, 51	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	51	
	302-3	Energy intensity	51	
Emissions				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36, 45–46	

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GRI Standard	Disclosure		Location	Comments and omissions
GRI 305: Emissions 2016	305-1	Direct greenhouse gas emissions (Scope 1)	53	
	305-2	Energy indirect greenhouse gas emissions (Scope 2)	53	
	305-3	Other indirect greenhouse gas emissions (Scope 3)	53	
	305-4	Greenhouse gas emissions intensity	53	
Waste				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36, 49	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	50	
	306-2	Management of significant waste-related impacts	50	
	306-3	Waste generated	50	*Omission:* The Group has adapted the reporting of waste to ESRS Standards.
	306-4	Waste diverted from disposal	50	
	306-5	Waste directed to disposal	50	
Supplier environmental assessment				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36, 73	
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	73	Significant suppliers, both new and existing, are identified using a risk-based approach. *Omission:* Data for new suppliers is not specifically disclosed. Environmental and social screening is conducted and reported jointly.
	308-2	Negative environmental impacts in the supply chain and actions taken	73	*Omission:* Supplier audits cover both environmental and social aspects and the data is not broken down into these categories.

SOCIAL IMPACT				
Employment				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	66	*Omission:* The Group does not report turnover by age group, gender or region.
Occupational health and safety				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36, 63–64	
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	36, 63	
	403-2	Hazard identification, risk assessment, and incident investigation	63	
	403-3	Occupational health services	63	
	403-4	Worker participation, consultation, and communication on occupational health and safety	63	
	403-5	Worker training on occupational health and safety	63	
	403-6	Promotion of worker health	63–64	
	403-7	Prevention/mitigation of occupational health/safety impacts directly linked by business relationships	63	
	403-8	Workers covered by an occupational health and safety management system	36	Calculation based on units required to be ISO 45001-certified.
	403-9	Work-related injuries	63–64	

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GRI content index, continued

GRI Standard	Disclosure		Location	Comments and omissions
Training and education				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36, 60–61	
GRI 404: Training and education 2016	404-1	Average hours of training per employee	61	*Omission:* Data per employee category is not reported.
	404-2	Programs for upgrading employee skills and transition assistance programs	61	
	404-3	Percentage of employees receiving regular performance and career development reviews	61	*Omission:* Data per employee category is not reported.
Diversity and inclusion				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36, 60, 62	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	6, 62	*Omission:* The Group does not, unless required for compliance with local laws and regulations, gather data on diversity from employees or members of governance bodies, such as belonging to a minority or vulnerable group.
Non-discrimination				
GRI 3: Material topics 2021	3-3	Management of material topics	34–36, 62	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	72	
Supplier social assessment				
GRI 3: Material topics 2021	3-3	Management of material topics	6, 34–36, 73	
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	73	Significant suppliers, both new and existing, are identified using a risk-based approach. *Omission:* Data for new suppliers is not specifically disclosed. Environmental and social screening is conducted and reported jointly.
	414-2	Negative social impacts in the supply chain and actions taken	73	*Omission:* Supplier audits cover both environmental and social aspects and the data is not broken down into these categories.
Customer health and safety				
GRI 3: Material topics 2021	3-3	Management of material topics	34–36, 69	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	78	During 2024, there were no reported significant incidents of non-compliance related to health and safety impacts of products and services resulting in any significant fine, penalty or warning.
Marketing and labeling				
GRI 3: Material topics 2021	3-3	Management of material topics	34–36	
GRI 417: Marketing and labeling 2016	417-2	Incidents of non-compliance concerning products and service information and labeling	78	During 2024, there were no reported significant incidents of non-compliance related to products and service information resulting in any significant fine, penalty or warning.

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SASB Index

Table 1. Sustainability disclosure topics and accounting metrics

Topic	Metric	Code	Comment	Page
Energy management	1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewable energy	RT-IG-130a.1	Total energy is reported in MWh, not in gigajoules. Percentage of grid electricity is not reported.	51
Employee health & safety	1. Total recordable incident rate (TRIR) 2. Fatality rate 3. Near-miss frequency rate (NMFR)	RT-IG-320a.1		64
Fuel economy and emissions in use-phase	Sales-weighted fuel efficiency for non-road equipment	RT-IG-410a.2	Product fuel efficiency is not reported but the Group innovates to help customers increase energy efficiency and reduce emissions. All projects for new and redesigned products should have targets for reduced carbon impact.	45–46
Materials sourcing	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	Risk management associated with conflict minerals is described.	74, 85
Remanufacturing design & services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	Share of revenues is not reported but topic is addressed.	49

Table 2. Activity metrics

Metric	Code	Comment	Page
Number of units produced by product category	RT-IG-000.A	Not reported.	
Number of employees	RT-IG-000.B		66–67

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ESRS index

Atlas Copco Group is preparing to report in accordance with the Corporate Sustainability Reporting Directive (CSRD), for the sustainability report 2025, according to Swedish law. This index has been created for the sake of transparency and indicates whether or not the Group has included information on a particular ESRS disclosure in the sustainability report. The section heading and/or page number next to a disclosure requirement does not indicate that we have reported all the information required by ESRS under that particular disclosure.

Chapter	Standard	Disclosure requirement	Page
General information			
Basis for preparation	ESRS 2	BP-1, BP-2	33
Sustainability governance	ESRS 2	GOV-1, GOV-2, GOV-3, GOV-4, GOV-5	34–36
Strategy, business model and value chain	ESRS 2	SBM-1	37–38
Interests and views of stakeholders	ESRS 2	SBM-2	39
Double materiality assessment	ESRS 2	IRO-1	40–41
Environmental information			
Climate change	ESRS E1	E1-1, E1-2, E1-3, E1-4, E1-6, E1-8	44–46, 53
Resource use and circular economy	ESRS E5	E5-1, E5-2, E5-3, E5-5	49–50
EU Taxonomy regulation disclosures			54
Social information			
Own workforce	ESRS S1	SBM-2, S1-1, S1-2, S1-3, S1-4, S1-5, S1-6, S1-9, S1-10, S1-13, S1-14	60–67
Workers in the value chain	ESRS S2	S2-1, S2-2, S2-3, S2-4, S2-5	68
Safety of end users	ESRS S4	S4-1, S4-2, S4-3, S4-4, S4-5	69
Governance information			
Business conduct	ESRS G1	G1-1, G1-2, G1-3, G1-4	71–74

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Auditor's Limited Assurance Report on Atlas Copco AB's Sustainability Report

This is the translation of the auditor's report in Swedish.
To Atlas Copco AB, corporate identity number 556014-2720

Introduction
We have been engaged by the Board of Directors of Atlas Copco AB to undertake a limited assurance engagement of Atlas Copco AB's Sustainability Report for the year 2024. Atlas Copco AB has defined the scope of the Sustainability Report to the pages referred to in the GRI index on pages 75–78.

Responsibilities of the Board and Executive Management
The Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report in accordance with applicable criteria. The criteria are defined on page 33 in the Sustainability Report and consist of the GRI Sustainability Reporting Standards, as well as the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability 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 Sustainability Report based on our limited assurance procedures. Our engagement is limited to historical information presented in this document and does therefore not cover future oriented information.

We have conducted our engagement in accordance with 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 Sustainability Report, and applying analytical and other limited assurance procedures. A limited assurance engagement is different from and substantially less in scope than reasonable assurance conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, 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 of Atlas Copco AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed in a limited review 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. The conclusion based on limited assurance procedures does not provide the same level of assurance as a conclusion based on reasonable assurance.

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

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

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm the date as evidenced by our electronic signature

Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Outi Alestalo
Expert Member of FAR

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Risks, risk management and opportunities

All business activities involve risks, therefore there is a need for a structured and proactive approach to manage the company's risks, both locally and centrally within the organization. Well-managed risks can turn into opportunities and add business value, while risks that are not well-managed can cause incidents and losses.

Atlas Copco Group's global and diversified business towards many customer segments results in a variety of risks and opportunities, geographically and operationally. Thus, the ability to identify, analyze and manage risks is crucial for effective governance and control of the business. The aim is to achieve the Group targets with a high risk awareness and well-managed risk taking, in line with the strategy and within the frame of the handbook of policies and guidelines *The Way We Do Things*. The Group sees the benefits of efficient risk management both from risk reduction and business opportunity perspective, which can lead to good business growth.

The Group's risk management approach follows the Group's decentralized structure. Group functions for legal, insurance, sustainability, treasury, tax, controlling and accounting, provide policies, guidelines and instructions regarding risk management. Local companies are responsible for their own risk management, which is monitored and followed up regularly, e.g. at local board meetings. The work is regularly audited by internal and external audits. The main risks identified through the Group's enterprise risk management process and how they are handled are shown in the table in this section.

Enterprise risk management

Atlas Copco Group has developed an ERM process to map strategic risks. The methodology is applied on divisions, which is the highest operational level in the Group. Annual workshops are held by each divisional management team where risks are identified, analyzed, assessed and managed to ensure a structured and proactive approach to the risks the Group is exposed to. The ownership of managing the risks lies within each division, while the Insurance and Risk Management department manages the overall process, moderates the sessions and consolidates the results on business area and Group levels. This hands-on approach is also in line with the Group's decentralized structure.

The ERM framework is regularly adapted to better identify and manage the Group's and the divisions' strategic risks. Results from risk assessments performed by the Group's holding companies and by corporate functions are provided as insights to the divisions when they evaluate their key risks. Specific deep dives are also performed as the risk landscape changes. A few workshops have for instance been conducted in respect of climate change, human rights and compliance risks. ESG related risks have been further incorporated into the framework as well as the overall risk assessment process. All material sustainability topics identified have also been fully integrated in the risk assessment process.

As the risk landscape is changing, the process is now including scenarios planning to focus on large impacts instead of high likelihood and improve business resilience and preparedness in case of catastrophic single or successive events.

Loss prevention

The main purpose of the Group's loss prevention program is to prevent potential property losses and business interruptions by establishing best practices and creating awareness across the Group. Atlas Copco Group's Loss Prevention Standard stipulates Group requirements in regards of loss prevention for product companies and distribution centers, including areas like: construction, safety systems, preventive measures and organizational plans. To ensure alignment with the standard and to support sites' understanding of how the standard applies to each site, around 30 risk surveys are performed annually, on top of the follow-up of the implementation of previous recommendations. The results from the loss prevention program are regularly consolidated and reported to Group Management.

This process includes recommendations related to natural hazards. Focus is put on identifying high exposed sites due to climate change, supporting prioritization of future investments.

Insurance

The Group Insurance Program is provided centrally to cover insurable risks common to all entities. The inhouse insurance company Industria Insurance Company Ltd. retains part of the risk exposure for the following insurance lines; property damage, business interruption, transport, and general and product liability. Financial lines insurance and business travel insurance are managed by the Group's Insurance and Risk Management department. However, Industria is not the insurer for these two lines. Insurance capacity is purchased from leading insurers and reinsurers by way of using international insurance brokers. Claims management services are partly purchased on a global basis from leading providers. Insurance policies are issued on a local basis to ensure compliance with local insurance laws as required.



Risk management process
In Atlas Copco Group, Enterprise Risk Management is not seen as a project but as a continuous process. The risk environment changes over time and it is therefore necessary to continuously identify, assess and manage new risks. The defined framework is described in the picture above.

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Key risks and how they are handled by Atlas Copco Group

RISK	CONTEXT	MITIGATING ACTIVITIES	OPPORTUNITIES
LEGAL AND COMPLIANCE	Atlas Copco Group's business operations are affected by numerous laws, regulations and trade sanctions as well as commercial and financial agreements with customers, suppliers and other counterparties, and also by licenses, patents and other intangible property rights. Increased regulatory changes could affect the way our processes are designed and how products or services are manufactured or delivered.	• Inhouse lawyers on five continents support Group companies with advice on laws and regulations, including compliance, as well as support with contract reviews. Proactive training is also done. • A yearly legal risk survey of all companies in the Group is performed in addition to continuous follow-up of the legal risk exposure. The result of the survey is compiled, analyzed and reported to the Board and the auditors. • Group Legal is responsible for aligning and coordinating the compliance organization which, in line with the Group's decentralized structure, is hosted in the business areas and divisions. • Regular trainings are organized to create awareness around sanctions.	– Complying with legal norms and laws minimizes costs and increases opportunities to strengthen the Group's reputation. It also develops reliable partnerships and improves business stability. – The ability to trade on all markets, in compliance with applicable trade sanctions, increases revenue and lowers risk.
FINANCIAL	Changes in exchange rates can adversely affect Group earnings when revenues from sales and costs for production and sourcing are denominated in different currencies (transaction risks). An adverse effect on Group earnings can also occur when earnings of foreign subsidiaries are translated into SEK and on the value of the Group equity when the net assets of foreign subsidiaries are translated into SEK (translation risks). The Group's net interest cost is affected by changes in market interest rates. Funding risk refers to the risk that the Group and its subsidiaries do not have access to financing on acceptable terms. As in any business, there can be a credit risk linked to our customers' abilities to pay.	• A Financial Risk Management Committee meets regularly to manage financial risks. • Atlas Copco Financial Solutions is responsible for these risks and supports Group companies to implement financial policies and guidelines. • The Group's operations continuously monitor relevant exchange rates and try to offset negative changes by adjusting sales prices and costs. • Translation risks may be partially hedged by borrowings in foreign currency and financial derivatives. • The Group's Financial Risk Policy stipulates that a minimum amount of standby credit facilities should exist and that a minimum average time to maturity for the external debt is set. • Stringent credit policies are applied and there is no major concentration of credit risk. The provision for bad debt is based on historical loss levels and up-to-date information and is deemed sufficient.	– Working proactively with financial risks protects and may improve the profit margin and creates possibilities for more stable cash flow. Overall, financial risk mitigation has the ability to improve business resilience for the Atlas Copco Group.
REPORTING (INCLUDING TAX)	The risk related to the communication of financial information to the capital market is that the reports do not give a fair view of the Group's true financial position and results of operations. Reporting errors could result in management drawing the wrong conclusions. However, with many small entities, the risk of material impact is low. Taxes is an area with increased focus, especially transfer pricing risks but also new tax rules and regulations. The main risks related to sustainability data relate to incomplete or inconsistent reporting, and risks regarding the accuracy of data, due to for example reporting errors or estimations, and the availability of upstream and/or downstream value chain data.	• Group subsidiaries report their financial statements regularly in accordance with International Financial Reporting Standards (IFRS). The Group's consolidated financial statements, based on those reports, are prepared in accordance with IFRS and applicable parts of the Annual Accounts Act as stated in RFR 1 "Supplementary Rules for Groups". • The Group's operational and legal consolidated results are based on the same numbers and system. These are analyzed by divisional, business area, Group Management and corporate functions before being published externally. • The Group has procedures in place to ensure compliance with Group instructions, standards, laws and regulations, for example internal and external audits. • A Tax Committee meets regularly to manage tax risks. • Group Tax monitors and ensures compliance with tax rules, regulations and guidelines. Transfer pricing policies and agreements are implemented in operations and regularly updated. Quarterly updates on tax are presented to the Board and Group Management. • Atlas Copco Group reports sustainability information according to GRI Standards and works with training to improve reporting practices. • The Group will be subject to the Corporate Sustainability Reporting Directive (CSRD) and is preparing to report in accordance with the European Sustainability Reporting Standards (ESRS). One example of measures taken is the formation of a new Sustainability Reporting and Disclosure Council.	– Integrated reporting provides a better understanding of business risks and opportunities which in turn allows for improved decision making. It also allows the company to identify opportunities for business synergies. – Addressing reporting risks increases transparency and improves the potential to represent the business fairly and accurately. – Improved reporting results in improved business insights and risk management, especially when the data has been integrated to highlight interdependencies. – Efficient and consistent reporting based on clear standards and principles creates transparency, supports decision making and drawing the right conclusions. – Increased reporting requirements on taxes improve transparency.

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Key risks and how they are handled by Atlas Copco Group, continued

RISK	CONTEXT	MITIGATING ACTIVITIES	OPPORTUNITIES
MARKET	A widespread financial crisis and economic downturn would not only affect the Group negatively but could also impact customers' ability to finance their investments. Changes in customers' production levels also have an effect on the Group's sales of spare parts, service and consumables. In developing markets, new smaller competitors continuously appear which may affect the Group negatively.	• Well-diversified sales to customers in multiple countries and industries. Sales of spare parts and service are relatively stable in comparison to sales of equipment. • Monthly follow-up of market, technology and sales development enables quick actions. • Agile manufacturing set-up makes it possible to quickly adapt to changes in the demand for equipment. • Continuous investments in R&D allow the divisions to be ahead of competition. • Leading position in most market segments provides economies of scale.	– A significant competitive advantage as a result of a strong global presence, including growth markets. – Opportunities to positively impact both society and environment, through the Group's high-quality, energy-efficient products and our Code of Conduct. – Continue to develop close, long-term and strategic relationships with customers and suppliers.
REPUTATION	The Group's reputation is a valuable asset which may be affected in part through the Group's operations or actions and in part through the actions of external stakeholders. Products must deliver on the brand promise and be of high quality, safe and have a low negative impact on the environment when used by the customer. There is potential for reputational risk from non-compliance to product labeling standards or if there are cases of false advertising. Unsatisfied employees may potentially detract the Atlas Copco Group brand.	• All Atlas Copco Group products are tested and quality assured. Product labeling is monitored and there are regular communications trainings. • The Group actively engages in stakeholder dialogue. • Compulsory training in the Code of Conduct includes the yearly signing of a compliance statement. • A clear and well known corporate identity and brand management. • An employee survey is carried out every two years and followed up actively. • A robust crisis management process is in place and regularly tested.	– Brand positioning. – Stakeholder engagement not only mitigates reputational risks in certain cases but it also presents opportunities to increase awareness and credibility of Atlas Copco Group's brand through improvements and innovations. – Delivering tested and quality-assured products improves customer satisfaction and promotes repeat business. – Attract and develop employees who adhere to the Code of Conduct.
PRODUCTION	Core component manufacturing is concentrated to a few locations and if there are interruptions or lack of capacity in these locations, this may have an effect on deliveries or on the quality of products. Production facilities could also have a risk of damaging the environment through their operations, e.g. through hazardous waste and emissions. The Group is directly and indirectly exposed to raw material prices. The Group primarily distributes products and services directly to the end customer. If the distribution is not efficient, it may impact customer satisfaction, sales and profits. Damages and losses during the course of distribution can be costly. Some sales are made indirectly through distributors and rental companies and their poor performance may have a negative effect on sales. The distribution of products results in CO_2 emissions from transport.	• Manufacturing units continuously monitor the production process, test the safety and quality of products, make risk assessments, and train employees. • Atlas Copco Group has an internal Loss Prevention Standard to ensure high level of protection. • Production units have developed business continuity plans. • Ambition to certify all manufacturing units in accordance with the ISO 14001 standard. • Physical distribution of products is concentrated to a number of distribution centers and their delivery efficiency is continuously monitored. • Resources are allocated to training and development of the service organization. • As indirect sales are local/regional, the negative impact of poor performance is limited. • Increased focus on safer and more effective transports to reduce losses, costs and total emissions per transport.	– Continued opportunities to extensively promote operational excellence to streamline production, minimize inefficiencies and maintain a high flexibility in the production process. – Continue to strengthen the relationship with customers through timely deliveries of products and services. – Transport efficiencies and safe transports can save the customers time and cost while reducing the environmental impact of their own operations. – Local production and services improve business agility for the Group. – Reduction of fuel costs and resource requirements which decrease the Group's carbon footprint.

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RISK	CONTEXT	MITIGATING ACTIVITIES	OPPORTUNITIES
SUPPLY CHAIN	Atlas Copco Group and its business partners, such as suppliers, subcontractors and joint venture partners, must share the same values as expressed in the Group's Code of Conduct regarding issues such as human rights standards and principles of ethical conduct. The availability of many components is dependent on suppliers, and efficient supply chains, and if they have interruptions or lack capacity, this may affect deliveries. Using a large number of suppliers gives rise to the risk that products contain components which are not sustainably produced, e.g. hazardous substances or electronic components containing conflict minerals, or components with a large carbon footprint. The lack of visibility of the full supply chain beyond Tier 1 could lead to disruptions or sanctions.	• Business partners are selected and evaluated based on objective factors including quality, delivery, price, and reliability, as well as on social/environmental responsibility. • The onboarding process of new suppliers is regularly updated to capture new and increased supply chain risks. • Significant direct suppliers are required to have an approved environmental management system. • The presence of conflict minerals in the Group's value chain is investigated and eradicated. • Establishment of a global network of sub-suppliers, to prevent supplier dependency. • E-learning for business partners (suppliers and distributors) to raise awareness of the Code of Conduct, including the requirement for significant business partner to sign and follow the Code of Conduct. Action plans developed together with suppliers to deal with shortcomings and deviations. • The Group maintains lists of substances that are prohibited or restricted due to their potential negative impact on health or the environment. Compliance with these lists is part of the business partner criteria.	– Further increase business agility and reduce costs by improving supplier inventory management in response to changes in demand. – Continue to be a preferred business partner and promote efficiency, sustainability and safety. Good supplier relations help to improve the Group's competitive position. – Strengthen customer relationships by supporting customers impacted by the Dodd Frank legislation on conflict minerals. – Promote human rights and work towards improving labor conditions, reducing corruption and conflicts in the entire value chain.
GEOPOLITICAL	The Group is present in most parts of the world and geographical crisis might lead to trade restrictions or tariffs. The Group might inadvertently sell to sanctioned customers, directly or indirectly. Regional geopolitical conflicts or social unrests could have a direct or indirect impact on operations and on the safety of the Group's employees.	• The Group regularly performs geopolitical assessments and build scenarios to prepare for different outcomes. • Crisis management guidelines are updated to better prepare for unexpected conflicts. The Holdings regularly perform crisis exercises. • Production, supply chain and customer centers are located close to customers to reduce any disruption. • Constant checks are performed in the divisions to comply with sanction lists. • Collaboration with international health and security partners allow the Group to better prepare, to inform its employees, and to have local support where and when needed.	– With a decentralized organization and a strategy to remain close to the customers, the Group can quickly identify and respond to market shifts and changes in legislation. – De-risking some regions can lead to new market opportunities.
INFORMATION TECHNOLOGY (IT)	Atlas Copco Group relies on IT systems in its day-to-day operations. Disruptions or faults in critical systems have a direct impact on production. Errors in the handling of financial systems can affect the company's reporting of results. Theft or modification of intellectual property constitutes a risk to our products and future business success. Cyber security risks are increasing in importance and can have a major impact on the Group's operations. The General Data Protection Regulation (GDPR), and other comparable legislation, impacts the handling of personal data. Failure to comply with GDPR or other IT-related regulations may result in substantial fines and reputational damage. Artificial intelligence could increase existing threats like more sophisticated cyberattacks or fraud. The lack of understanding of generative AI (GenAI) could result in losing intellectual property. It could also lead to negative legal consequences if unproperly used.	• The Group has a global IT Security policy, including quality-assurance procedures that govern IT operations. Information security is monitored through IT Security audits and cyber-risk assessments. Standardized processes are in place for the implementation of new systems, changes to existing systems and daily operations. The system landscape is based on well-proven technologies. • IT Security tracks globally major downloads of files. Screening of business partners/consultants working in our systems. • Cyber security is regularly discussed, addressed and invested in by the IT Security function. By performing cyber-risk assessments, awareness of cyber security risks increases the readiness to quickly detect and respond to any attacks. • Compulsory trainings for all employees are regularly performed. • A privacy and data compliance council tracks the essential activities to ensure compliance with data privacy regulations. • Increased focus on secure development process for our product software. • Group IT launched GenAI Lighthouse to improve awareness around GenAI by providing guidance on its principles, solutions, risks and possibilities	– Stable IT systems, secure IT environment and standardized processes increase efficiencies and reduce costs. – Quick action on major download of product development files minimizes the potential damage. – Quick action to address a cyber attack gives opportunity to stable work environment and business continuity. – A global approach to GDPR has made the Group well prepared to face future data privacy regulations in other regions and continents. – A controlled use of GenAI will allow efficiencies, innovations and new possibilities.

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RISK	CONTEXT	MITIGATING ACTIVITIES	OPPORTUNITIES
ACQUISITIONS AND DIVESTMENTS	When making acquisitions, there are risks related to the selection and valuation of the potential targets as well as the process of acquiring them. Integrating acquired businesses in a timely manner may also be a complex and demanding process. There is no guarantee for an acquisition to be successful even if all steps are done properly. Annual impairment tests are made on acquired goodwill. If the carrying values are not deemed justified in such tests, it can result in a write-down, affecting the Group's result.	• The Group's Acquisitions Process Council has established a process for acquisitions. The process is continually updated and improved to address and mitigate risks. The Council also provides training and supports business units prior to, during and after an acquisition. Before any acquisition is completed, a detailed due diligence will be performed in order to evaluate the risks involved. • Atlas Copco Group guidelines and policies are applied to assess and manage the environmental and social impact of operations, as well as business conduct, in the affected communities after an acquisition is completed.	– Acquisitions bring possibilities to enter new markets, segments, new technologies, new clients, increase revenues, etc. – Identifying the obstacles to integration can allow the Group to improve the process through methods such as job rotation, training or teambuilding exercises. This would not only result in a smoother process but also lower operational costs by decreasing downtime and allowing newly acquired companies to become even more productive and efficient. – Established process for a faster integration of newly acquired companies.
PRODUCT DEVELOPMENT	One of the challenges to the Group's long-term growth and profitability is to continuously develop innovative, sustainable, and recyclable products that consume less resources over the entire life cycle. The Group's product offering is also affected by national and regional legislation on issues such as emissions, noise, vibrations, recycling, etc. However, there may be increased risk of competition in emerging markets where low-cost products are not affected to the same extent by such rules.	• Continuous investments in research and development to develop products in line with Group targets, including science-based targets, customer demand and expectations, even during economic downturns. • Designing products with a life-cycle perspective and measurable efficiency targets for the main product categories in each division. • Designing products with reduced emissions, vibrations or noise, and increased recycling potential to meet legal requirements.	– Substantial opportunities to strengthen the competitive edge by innovating high-quality, energy-efficient products and creating an integrated value proposition for customers. – Support internal and external stakeholders in reducing carbon emissions.
CLIMATE AND ENVIRONMENT	The primary drivers for external environmental risk are physical changes in climate and natural resources, changes in regulations, taxes and resource prices. Natural disasters as a consequence of climate change can disrupt own operations or impact the supply chain. Increased fuel/energy taxes increase operational costs. Regulations and requirements related to carbon-dioxide emissions from products and industrial processes are gradually increasing. Climate-related and environmental events can affect all of Atlas Copco Group's operations and negatively affect operations either directly or by disrupting the supply chain. Market shifts toward a low-carbon economy may impact the viability of certain sectors. Biodiversity-related requirements on companies are increasing.	• The loss prevention process prevents potential property losses and business interruptions due to climate events and increased natural disasters. • A mapping of the climate change exposures for the main sites for the Group allows the divisions to take appropriate decisions regarding potential additional mitigation measures. • Atlas Copco Group, in close relationship with its customers, continuously develops products with improved energy efficiency, reduced emissions and lower environmental footprint. • The Group has several key performance indicators (KPIs) that address resource and energy usage in order to reduce carbon-dioxide emissions. • Strict processes for handling hazardous waste and chemicals are implemented in all operational units. Compliance is audited regularly and awareness is reinforced by training. • All cooling agents in the Group's products have a zero-ozone depleting impact during the product's lifecycle, and the aim is to continue to introduce cooling agents with lower Global Warming Potential (GWP). • The Group's SHEQ Policy covers biodiversity-related aspects. ISO 14001 certifications in major subsidiaries will support addressing relevant environmental focus areas.	– Working proactively with environmental risks can provide significant opportunities to drive innovation at Atlas Copco Group. – A better understanding of the consequences of climate change will support right investment decisions and support evaluate future global footprint. – Given that many customers are operating in areas of extreme water stress/scarcity, water-efficient or water-recycling products can have a strong customer appeal and may present a business opportunity. – Climate change impacts and predictions can induce changes in consumers' habits and behavior. As a result of climate events, the Group's customers can become more risk averse and demand products with a lower impact on the environment. New businesses and business models that are being served by the Group arise. For instance, increased renewable energy generation and the surge in production of electrical vehicles present opportunities to provide products to these industries. – Raised awareness of the subsidiaries' impact on biodiversity in their near surroundings can support activities to restore flora and fauna.

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Key risks and how they are handled by Atlas Copco Group, continued

RISK	CONTEXT	MITIGATING ACTIVITIES	OPPORTUNITIES
TALENT ATTRACTION AND RETENTION	Atlas Copco Group must have access to and attract skilled and motivated employees and safeguard the availability of competent managers to achieve established strategic and operational objectives.	• The competence mapping and plan secure access to people with the right expertise at the right time. Recruitment can be both external and internal. Internal recruitment and job rotation are facilitated by the Internal job market. • Salaries and other conditions are adapted to the market and linked to business priorities. The Group strives to maintain good relationships with labor unions. • Continuous contacts with universities and schools help recruiting new skills and talents, and understanding the expectations of young generations. • Atlas Copco created the Atlas Copco Group identity to enable brand management in our decentralized organization. The Group Identity Council supports, anchor and establish brand governance in the Group.	– Motivated and skilled employees and managers are crucial to achieve or exceed business goals and objectives.
SAFETY AND HEALTH	Poor physical and mental health and too much stress among employees affect the individual and can cause sick leave and disturbances in the production. Accidents or incidents in the workplace, due to the lack of proper safety measures, harm employees and can negatively affect the Group's productivity and brand. Atlas Copco Group recognizes the risk that serious diseases and pandemics can interrupt business operations and harm employees.	• The Group regularly assesses and manages safety and health risks in operations. • Training is held regularly. • The ambition is to certify all major units in accordance with the ISO 45001 standard. • Workplace wellness programs. • Atlas Copco Group's business partners are trained in Group policies including the approach to health and safety.	– Improved safety and well-being among employees increases employee satisfaction and engagement, productivity and strengthens the brand. – Improving working conditions for customers and business partners benefits their employees and local societies and can enhance long-lasting relationships that result in repeat orders.
HUMAN RIGHTS	Atlas Copco Group operates in countries/areas with high risk of human rights violations, including child labor, forced or compulsory labor, modern slavery, poor working conditions, limitations of the freedom of association and discrimination. The Group encounters customers who are exposed to human rights issues. Risks to the Group's reputation may arise from relationships with business partners who do not comply with internationally accepted ethical, social and environmental standards.	• Guidance by interaction with well-established non-governmental organizations to identify and mitigate risks. • Policies and procedures corresponding to the UN Guiding Principles on Business and Human Rights, which Atlas Copco Group has committed to since 2011. • Due diligence process and integration of internal controls for human rights violations in relevant processes, including regular supplier evaluations in accordance with the UN Global Compact.	– Following the UN Guiding Principles on Business and Human Rights to respect human rights reduces risks and costs. – Strong business ethics help promote societal prosperity and a more stable market place. – Working with human rights positively impacts both the Atlas Copco brand and stakeholder relations. – New regulations enable the entire value chain to take responsibility and protect human rights.
CORRUPTION AND FRAUD	Corruption and bribery exist in many markets where Atlas Copco Group conducts business. Fraud or criminal deception intended to result in financial or personal gain, is always present in global operations.	• Zero-tolerance policy on bribery and corruption, including facilitation payments. • Internal control routines aimed at preventing and detecting deviations. The Internal Audit function is established to ensure compliance with the Group's corporate governance, internal control and risk management policies. • Control self-assessment tool to analyze internal control processes. • Training in the Code of Conduct and signing compliance to the Code for all employees and significant business partners. • SpeakUp: the global Group misconduct reporting system to report violations anonymously. • The Group supports fair competition and forbids discussions or agreements with competitors concerning pricing or market sharing.	– By fighting against corruption and fraud, Atlas Copco Group has the opportunity to work with industry peers to influence international market practices. Refusing to pay bribes may cause temporary delays and setbacks; however it reduces costs in both the long and short run, builds opportunities to improve operational efficiencies and creates more stability in society and in markets where the Group operates. – Working against corruption and fraud improves the Group's credibility and transparency and creates more ways to improve stakeholder relations.

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The Atlas Copco AB share

Share price development and returns

In 2024, the price of the A share decreased 2.7% to SEK 168.9 (173.6) and the B share was unchanged at SEK 149.5 (149.4). The annual total return on the Atlas Copco A share, equal to dividend, redemption and the change in the share price, including the distribution of Epiroc AB, was on average 18% for the past ten years and 16% for the past five years. The corresponding total return for Nasdaq Stockholm was 11% and 10%, respectively.

Trading and market capitalization

The Atlas Copco shares are listed on Nasdaq Stockholm, which represented 21.1% of the total trading of the A share (24.6% of the B share) in 2024. Other markets, so called Multilateral Trading Facilities (MTF), e.g. CBOE accounted for 40.5% (35.5% of the B share), and the remaining 38.4% (39.9% of the B share) were traded outside public markets, for example through over-the-counter trading.

The market capitalization at year end 2024 was MSEK 800 200 (815 902) and the company represented 7.3% (7.8) of the total market value of Nasdaq Stockholm. The Atlas Copco share was the most traded share in 2024 (most traded in 2023) by total turnover.

A program for American Depositary Receipts (ADRs) was established in the United States in 1990. One ADR corresponds to one share. The depositary bank is Citibank N.A. At year end 2024, there were 62 963 418 ADRs outstanding, of which 50 717 086 represented A shares and 12 246 332 represented B shares.

Personnel stock option program and repurchase of own shares

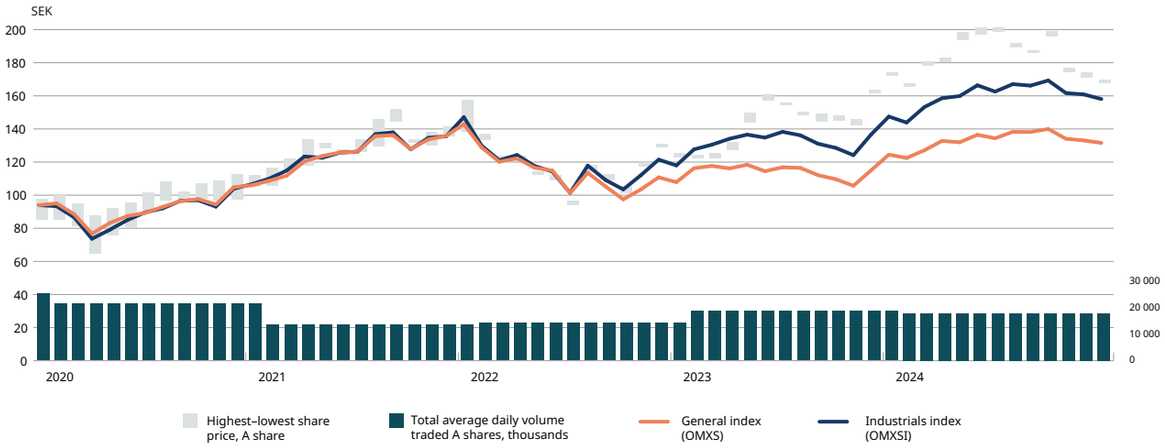
The Board of Directors will propose to the Annual General Meeting 2025 a similar performance-based long-term incentive program as in previous years. The company's holding of own shares on December 31, 2024 appears in the table to the right.

Dividend

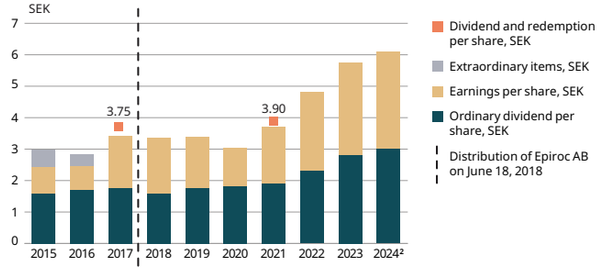
The Board of Directors proposes to the Annual General Meeting 2025 an ordinary dividend of SEK 3.00 (2.80) per share to be paid for the 2024 fiscal year. In order to facilitate a more efficient cash management, the dividend is proposed to be paid in two equal installments. If approved, the ordinary dividend has averaged 51% of basic earnings per share during the last five years. The ambition is to distribute about 50% of earnings as dividends to shareholders. See more information on page 18.

Share information 2024-12-31	A share	B share
Nasdaq Stockholm	ATCO A	ATCO B
ISIN code	SE0017486889	SE0017486897
ADR	ATLKY.OTC	ATLCY.OTC
Total number of shares	3 357 576 384	1 560 876 032
% of votes	95.6	4.4
% of capital	68.3	31.7
Whereof shares held by Atlas Copco AB	47 838 434	0
% of votes	1.4	0.0
% of capital	1.0	0.0

Share price development [1]



Earnings and distribution per share [1]



[1] Adjusted for the share split in 2022 [2] Proposed by the Board of Directors

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The Atlas Copco AB share, continued

Ownership structure

At the end of 2024, Atlas Copco AB had 141 964 (125 893) shareholders. The ten largest shareholders registered directly or as a group with Euroclear Sweden, the Swedish Central Securities Depository, by voting rights, accounted for 34% (34) of the voting rights and 33% (31) of the capital. Swedish investors held 48% (47) of the capital and represented 45% (45) of the voting rights.

Ten largest shareholders *

December 31, 2024	% of votes	% of capital
Investor AB	22.3	17.0
Swedbank Robur fonder	3.5	4.1
Handelsbanken fonder	2.2	1.9
SEB Investment Management	1.4	1.2
Nordea Investment Funds	1.2	1.1
Folksam	1.0	1.0
Avanza Fonder	0.9	0.9
SPP Fonder AB	0.8	0.8
Alecta Pensionsförsäkring	0.7	2.5
AMF – Försäkringar och Fonder	0.3	2.2
Others	65.7	67.3
Total	**100.0**	**100.0**
– of which shares held by Atlas Copco AB	1.4	1.0

* Shareholders registered directly or as a group with Euroclear Sweden, the Swedish Central Securities Depository.

Ownership category

December 31, 2024	% of capital
Shareholders domiciled abroad (legal entities and individuals)	52.4
Swedish financial companies	37.1
Swedish individuals	4.5
Other Swedish legal entities	2.0
Swedish social insurance funds	2.7
Swedish trade organizations	1.0
Swedish government and municipals	0.3
Total	**100.0**

Ownership structure

Number of shares, December 31, 2024	% of shareholders	% of capital
1–500	64.6	0.2
501–2 000	18.9	0.6
2 001–10 000	12.3	1.6
10 001–50 000	3.2	1.9
50 001–100 000	0.4	0.7
>100 000	0.6	95.0
Total	**100.0**	**100.0**

Share issues [1]

			Change of share capital, MSEK	Amount distributed, MSEK
2015	Split	2:1		
	Share redemption [2]	1 229 613 104 shares at SEK 6	–393.0	–7 304.7
	Bonus issue	No new shares issued	393.0	
2018	Split	2:1		
	Share redemption [3]	1 229 613 104 shares at SEK 8	–393.0	–9 704.6
	Bonus issue	No new shares issued	393.0	
2022	Split	4 ordinary shares and 1 redemption share		
	Share redemption [4]	1 229 613 104 shares at SEK 8	–157.0	–9 731.8
	Bonus issue	No new shares issued	157.0	

[1] For more information please visit www.atlascopcogroup.com/en/investors.
[2] 1 217 444 513 shares net of shares held by Atlas Copco AB.
[3] 1 213 080 695 shares net of shares held by Atlas Copco AB.
[4] 4 865 921 644 shares net of shares held by Atlas Copco AB as of May 13, 2022.

Shareholders by country

December 31, 2024, percentage of capital



Important dates

2025	April 29	First quarter results
	April 29	Annual General Meeting
	April 30 *	Shares trade excluding right to dividend of SEK 1.50
	May 7 *	Dividend payment date (preliminary)
	July 18	Second quarter results
	October 20 *	Shares trade excluding right to dividend of SEK 1.50
	October 23	Third quarter results
	October 24 *	Dividend payment date (preliminary)
2026	January 27	Fourth quarter results 2025

* Board of Directors proposal to the Annual General Meeting. The record date is the first trading day after shares trade excluding the right to dividend.

More information

- More data per share can be found on page 165 in the four-year summary.
- For more information on distribution of shares, option programs and repurchase of own shares, see notes 4, 19 and 22.
- Detailed information on the share and debt can be found on www.atlascopcogroup.com/en/investors

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Corporate governance

In the corporate governance report, Atlas Copco Group presents how applicable rules are implemented in efficient control systems to achieve long-term growth. Good corporate governance is not only about following applicable rules, it is also about doing what is right. The objective is to find the right balance between risk and control in a decentralized management model. The goal is sustainability in productivity and profitability, as well as in governance.

Atlas Copco AB is incorporated under the laws of Sweden with a public listing at Nasdaq Stockholm AB (Nasdaq Stockholm). Atlas Copco AB is governed by Swedish legislation and regulations, primarily the Swedish Companies Act, but also the rules of Nasdaq Stockholm, the Swedish Corporate Governance Code (the Code), the Articles of Association and other relevant rules.

Atlas Copco Group does not report any deviations from the Code for the financial year 2024. The corporate governance report has been examined by the auditors, see page 163.

The following information is available at www.atlascopcogroup.com

- Atlas Copco AB Articles of Association
- The Code of Conduct
- Corporate governance reports since 2004 (as a part of the annual report)
- Information on Atlas Copco AB Annual General Meeting

Comment from the Chair

Atlas Copco Group is a truly global industrial company, creating lasting value and enabling customers to drive society forward. Through energy-efficient products that reduce carbon emissions, and by implementing values and processes with respect for people and the planet, Atlas Copco Group can contribute to a better tomorrow. As a leading industrial innovator and global supplier, with a commitment to reduce greenhouse gas emissions in line with the goals of the Paris Agreement, and by setting Science-based targets, the Group shows its ambition to be part of the transformation to a low-carbon society.

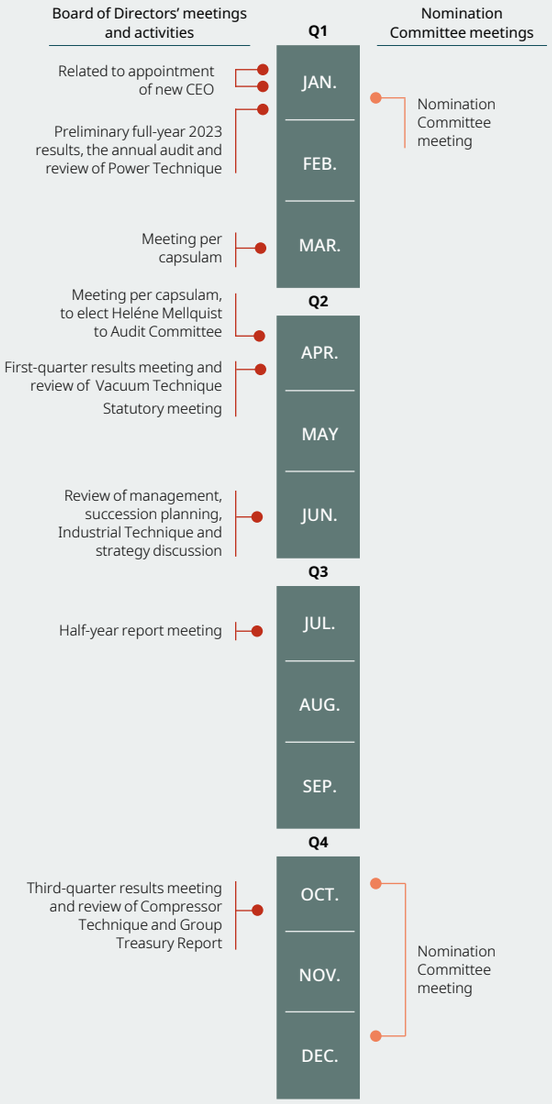


Atlas Copco Group's Code of Conduct is the most important instrument to make sure the company always acts with the highest ethical standards and integrity. The main international ethical standards supported by the Group are the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Companies and the UN Global Compact. Atlas Copco Group is a member of the UN Global Compact since 2008.

The annual signing of the Code of Conduct, together with training, supports the company's employees to identify and handle ethical dilemmas and strengthens the awareness of the Group's values and guidelines. Atlas Copco Group also requests that significant business partners commit to comply with the Code of Conduct. This is further supported by the global third party operated system, SpeakUp, providing a channel for anonymous reporting of suspected ethical misconduct. To safeguard the Group's reputation, the company relies on solid governance and the leaders' ability to defend values, including of course, internal and external control and audits.

Hans Stråberg
Chair since 2014

Meetings of the Board and the Nomination Committee during 2024



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Corporate governance, continued



1. Shareholders

At the end of 2024, Atlas Copco AB had 141 964 (125 893) shareholders. The ten largest shareholders registered directly or as a group with Euroclear Sweden, the Swedish Central Securities Depository, by voting rights, accounted for 34% (34) of the voting rights and 33% (31) of the capital. Swedish investors held 48% (47) of the capital and represented 45% (45) of the voting rights. The largest shareholder is Investor AB, holding 17.0% of capital and 22.3% of votes. More information on Atlas Copco AB shareholders can be found on pages 88–89.

2. General Meeting

In accordance with the Articles of Association, the Annual General Meeting has sole authority for the election or dismissal of Board members. However, employee representative Board members are, by law, not appointed by the AGM. The General Meeting is Atlas Copco Group's supreme decision-making body in which all shareholders are entitled to take part. Anyone registered in the shareholders' register who has given due notification to the Company of their intention to attend, may join the meeting and vote for their total shareholding. Atlas Copco Group encourages all shareholders to vote at the General Meeting and shareholders who cannot participate in person may be represented by a proxy holder or vote by mail. A shareholder or a proxy holder may be accompanied by two assistants and a proxy form can be found prior to the General Meeting at www.atlascopcogroup.com/agm.

The Annual General Meeting (AGM) 2024 was held on April 24, 2024 in Stockholm, Sweden. The Company also offered shareholders the possibility to exercise their voting rights by mail voting. 65% of the total number of votes in the Company and 65% of the shares were represented.

Decisions at the AGM 2024 included:

- Adoption of the income statements and balance sheets of Atlas Copco AB and Group for 2023.
- Discharge of liability of the Company's affairs during the 2023 financial year for the President and CEO and the Board of Directors.
- Adoption of the Board's proposal for profit distribution with a dividend of SEK 2.80 per share to be paid in two installments. The first installment amount was SEK 1.40 per share and the second installment amount was SEK 1.40 per share.
- That the number of directors elected by the AGM for a term ending at the next AGM would be nine directors and no alternates.
- Election of the Board of Directors.
- A resolution of the Board of Directors' fee.
- Approval of the remuneration report for 2023.
- Adoption of the Board's proposal on guidelines for executive remuneration.
- Approval of the reported scope and principles for a performance based employee stock option plan for 2024 including mandate for the Board to decide upon repurchase and sales of Atlas Copco AB shares to hedge the plan and previous similar plans.
- Election of Ernst & Young AB as auditor firm up to and including the Annual General Meeting 2025.

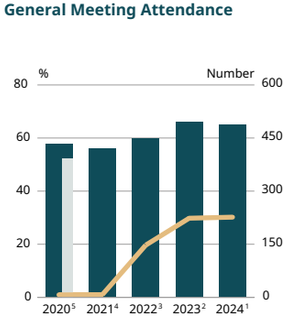
Annual General Meeting 2025

The Annual General Meeting will be held on April 29, 2025. Shareholders who wish to contact the Nomination Committee or have a matter addressed by the Board of Directors at the AGM may submit their proposals by ordinary mail or e-mail to:

Atlas Copco AB, Attn: Chief Legal Officer, SE-105 23 Stockholm, Sweden, nominations@atlascopco.com or board@atlascopco.com

Proposals have to be received by the Board of Directors and the Nomination Committee respectively, no later than seven weeks prior to the AGM to be included in the notice to the AGM and the agenda.

General Meeting Attendance



AGM, votes, %
EGM, votes, %
Shareholders and proxy holders, number

[1] AGM 2024, mail voting was available.
[2] AGM 2023, mail voting was available.
[3] AGM 2022, mail voting was available.
[4] AGM 2021, due to Covid-19 only mail voting, no physical attendance.
[5] AGM 2020, due to Covid-19 mail voting was available and recommended.

EGM 2020, due to Covid-19 only mail voting, no physical attendance.

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3. Nomination Committee

The Nomination Committee aims to propose a Board with a broad and complementary experience from a number of important industries and markets. Experience from the manufacturing industry with international coverage is viewed as especially valuable. The committee also considers factors such as diversity, gender balance, potential conflicts of interest etc. The Nomination Committee's diversity policy is based on section 4.1 in the Corporate Governance Code. The nine Board members elected by the shareholders have backgrounds from various industries. As proposed to the AGM 2024, four of the eight non-executive members are women. Three members are born in the 1950's, two in the 1960's, and three in the 1970's. The board members are of three different nationalities, from Germany, Brazil and a majority of the board members come from Sweden. A balanced gender distribution within the Board is a priority for the Nomination Committee.

Based on the findings of the Chair of the Board, the Nomination Committee annually evaluates the work of the Board. Further to that, the Nomination Committee proposes the Chair to the Annual General Meeting, prepares a proposal regarding number and names of Board members, including Chair and a proposal for remuneration to the Chair and other Board members not employed by the Company, as well as a proposal for remuneration for Board committee work. Finally, the Nomination Committee proposes an audit firm including remuneration for the audit.

The proposals and the Nomination Committee's statement will be published at the latest with the notice to the AGM 2025. In view of the Nomination Committee's strive to reach gender balance, for example in case of equal competence, the candidate that will lead to improved gender balance should be proposed.

In compliance with the Swedish Corporate Governance Code and the procedures adopted by the AGM 2016, the representatives of the four largest shareholders, directly registered or ownership grouped as listed in the shareholders' register as of August 31, 2024, together with the Chair of the Board shall form the Nomination Committee. The members of the Nomination Committee for the AGM 2025 were announced on September 19, 2024, and represented approximately 29% of all votes in the Company. The members of the Nomination Committee receive no compensation for their work in the committee.

Nomination Committee members for the AGM 2025:
Petra Hedengran, Investor AB, Chair of the Nomination Committee; Joachim Spetz, Swedbank Robur Fonder AB; Helen Fasth Gillstedt, Handelsbanken Fonder AB; Patrik Jönsson, SEB Fonder; and Hans Stråberg, Atlas Copco AB, Chair of the Board.

4. Board of Directors

The Board of Directors is responsible for the overall organization, administration and management of Atlas Copco Group in the best interest of the Company and its shareholders. The Board is responsible for following applicable rules and implementing efficient control systems in the decentralized organization. An efficient control system offers the correct balance between risk and control. The long-term goals are regularly evaluated by the Board based on the Group's financial situation and financial, legal, social and environmental risks. The mission is to achieve a sustainable and profitable development of the Group.

Board of Directors' members

At the end of 2024 the Board of Directors consisted of nine elected members, including the President and CEO. The Board also had two employee representatives, each with one personal deputy. Atlas Copco Group fulfilled the 2024 requirements of Nasdaq Stockholm and the rules of the Swedish Corporate Governance Code regarding independency of board members. The Swedish Corporate Governance Code states that a majority of the members of the board are to be independent of the company and its management. Further, according to the Code, at least two members must also be independent of the company´s major shareholders. In line with the preparatory documents to the Swedish Companies Act, which expresses a positive view of active and responsible ownership, major shareholders of Swedish companies may appoint a majority of members with whom they have close ties. The Code also stipulates that no more than one of the directors elected by the shareholders' meeting may be on the executive management team of the company or one of its subsidiaries. Normally, this place is taken by the CEO.

The Board of Directors' work

The Board continuously addresses the Group's strategic direction, financial performance, and methods to maintain sustainable profitability. They also continuously ensure that efficient control systems are in place. The Board is regularly updated, informed and educated on topics related to sustainability, such as opportunities related to new segments and technologies, new regulations and the Group's non-financial targets. The Board also follows up on the compliance of the Code of Conduct as well as on the Group's whistleblowing solution, SpeakUp. Besides the general distribution of responsibilities that apply, in accordance with the Swedish Companies Act and the Code, the Board and its committees (Audit Committee, Remuneration Committee and others) annually review and adopt "The Rules of Procedure" and "The Written Instructions", the documents that govern the Board's work and the distribution of tasks between the Board, the committees and the President, as well as the Company's reporting processes.

The Board held ten meetings in 2024. Four were physical meetings of which three were held at Atlas Copco AB in Nacka and one at Atlas Copco Airpower N.V. in Belgium. Four meetings were held virtually and two per capsulam. The attendance at Board meetings is presented on page 94–95.

The Board continuously evaluates the performance of the President and CEO, Vagner Rego. For the Annual Audit, the Company's principal auditor, Erik Sandström, Ernst & Young AB, reported his observations to the Board. The Board also had a separate session with the auditor where members of Group Management were not present.

Evaluation of the Board of Directors' work

The annual evaluation of the Board of Directors' work, including the Board's committees (Audit Committee, Remuneration Committee and others) was conducted by the Chair of the Board, Hans Stråberg. He evaluated the Board's working procedures, competence and composition, including the background, experience and diversity of Board members. His findings were presented to the Nomination Committee.

Remuneration to the Board of Directors

Remuneration and fees are based on the work performed by the Board. The AGM 2024 decided to adopt the Nomination Committee's proposal for remuneration to the Chair and other Board members not employed by the Company, and the proposed remuneration for committee work. See also note 4.

- The Chair was granted an amount of SEK 3 400 000.
- Each of the other Board members not employed by the Company was granted SEK 1 100 000.
- An amount of SEK 450 000 was granted to the Chair of the Audit Committee and SEK 280 000 to each of the other members of this committee.
- An amount of SEK 175 000 was granted to the Chair of the Remuneration Committee and SEK 130 000 to each of the other members of this committee.
- An amount of SEK 130 000 was granted to each non-executive director who, in addition, participates in committee work decided upon by the Board.
- The meeting further resolved that 50% of the director's Board fee could be received in the form of synthetic shares.

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5. Audit Committee

The Audit Committee is elected by the Board at the statutory Board meeting after the Annual General Meeting and until the statutory Board meeting the following year. The work of the Audit Committee is directed by the Audit Committee Charter, which is reviewed and approved annually by the Board. The Chair of the committee has the accounting competence required by the Swedish Companies Act and at least one of the members is independent from the Company and its main shareholders. The Audit Committee's primary task is to support the Board of Directors in fulfilling its responsibilities in the areas of audit and internal control, accounting, financial- and sustainability reporting, and risk management as well as to supervise the financial structure and operations of the Group and approve financial guarantees and capital contributions, delegated by the Board. The Audit Committee work further includes reviewing internal audit procedures, monitoring the external auditor, considering any inspection findings, review and monitor the independence of the external auditor, and assist the Nomination Committee in the selection of the auditor.

During the year, the committee convened five times. All members were present at these meetings, except Heléne Mellquist that participated in the last three meetings. All meetings of the Audit Committee have been reported to the Board of Directors and the corresponding Minutes have been distributed to the Board.

The Audit Committee members during 2024 were Anna Ohlsson-Leijon, Chair, Johan Forssell, Hans Stråberg and from April 2024 Heléne Mellquist.

6. Remuneration Committee

The Remuneration Committee is elected by the Board at the statutory Board meeting after the Annual General Meeting and until the statutory Board meeting the following year. The work of the Remuneration Committee is directed by the Remuneration Committee Charter, which is reviewed and approved annually by the Board. The Remuneration Committee's primary task is to propose to the Board the remuneration to the President and CEO and a long-term incentive plan for key employees. The purpose of a long-term incentive plan is to align the interests of key personnel with those of the shareholders. The guidelines for executive remuneration in Atlas Copco Group aim to establish principles for fair and consistent remuneration with respect to compensation, benefits, and termination. The base salary is based on competence, area of responsibility, experience and performance, while the variable compensation is linked to predetermined and measurable criteria which can be financial or non-financial. The guidelines for executive remuneration are reviewed annually and the Annual General Meeting 2024 approved the guidelines for remuneration. See also note 4.

The Remuneration Committee had three meetings in 2024. All members were present. During the year, the Remuneration Committee also supported the President and CEO in determining remuneration to the other members of Group Management. All meetings of the Remuneration Committee have been reported to the Board and the corresponding Minutes have been distributed to the Board.

The Remuneration Committee members during 2024 were Hans Stråberg, Chair, Gordon Riske and Peter Wallenberg Jr.

7. Auditor

The task of the external auditor is to audit Atlas Copco Group's consolidated accounts and annual report, as well as to review the Board and the CEO's management of the Company. At the AGM 2024 the audit firm Ernst & Young AB, Sweden, was elected external auditor up to and including the AGM 2025 in compliance with a proposal from the Nomination Committee. The principal auditor is Erik Sandström, Authorized Public Accountant at Ernst & Young AB. At the AGM 2024, Erik Sandström referred to the auditor's report for the Company and the Group in the annual report and explained the process applied when performing the audit. He also recommended adoption of the presented income statements and balance sheets, discharge of liability for the President and CEO and the Board of Directors, and adoption of the proposed distribution of profits.

8. Internal Audit and Assurance

Internal Audit and Assurance aims to provide independent and objective assurance on internal control by conducting internal audits. It reports five times per year to the Audit Committee.
Read more on pages 98–99.

9. Group Management

Besides the President and CEO, the Group Management during 2024 consists of four business area presidents and five senior vice presidents responsible for the main Group functions; Corporate Communications, Human Resources, Controlling and Finance, Information Technology (IT), and Legal. The President and CEO is responsible for the ongoing management of the Group following the Board's guidelines and instructions.

Remuneration to Group Management

The guidelines for executive remuneration in Atlas Copco Group are reviewed annually by the Board of Directors and presented to the AGM for approval at least every four years. In 2024, the AGM decided to adopt the Board's proposal, and a new proposal will be presented at the AGM 2028. Other than for a clarification regarding the right of the company to reclaim variable compensation, and minor editorial changes, the new proposed guidelines remain the same as the most recently adopted guidelines. No material comments warranting additional changes to the guidelines have been provided since the guidelines were adopted in 2024. The Board considers the revisions, with the aforementioned clarification, to reflect the general interest of the shareholders. The remuneration shall consist of base salary, variable compensation, possible long-term incentives (employee stock options), pension benefits and other benefits. The variable compensation is limited to a maximum percentage of the base salary and is linked to predetermined and measurable criteria which can be financial or non-financial. Non-financial criteria for 2024 has been to reduce the Group's CO_2 emissions. No fees are paid for board memberships in Group companies. Based on the guidelines for executive remuneration the Board of Directors annually proposes a Remuneration Report to the AGM for approval. In 2024, the AGM decided to approve the Remuneration Report for 2023.

Statement of materiality and significant audiences

Atlas Copco AB is registered in Sweden and is legally governed by the Swedish Companies Act (2005:551). This act requires that the Board of Directors governs the Company to be profitable and create value for its shareholders. To Atlas Copco Group, creating value for stakeholders includes the integration of sustainability aspects into its business creating long-term value for all stakeholders, which is ultimately in the best interest of the Company, the shareholders and society. The significant stakeholder audience, as outlined in Atlas Copco Group's Code of Conduct, includes representatives of society, employees, customers, business partners and shareholders.

The Code of Conduct is the central guiding policy for Atlas Copco Group and is owned by the Board of Directors. Its commitment goes beyond the requirements of legal compliance, to supporting voluntary international ethical guidelines. These include the United Nations International Bill of Human Rights, International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the ten principles of the United Nations Global Compact, and OECD's Guidelines for Multinational Enterprises. Atlas Copco Group has employed a stakeholder-driven approach in order to identify the most material environmental, human rights, labor and ethical aspects of its business. These priorities guide how the Group develops and drives its business strategy. Consideration is also given to the UN Sustainable Development Goals.

The strategy and fundamentals for growth together with the Group targets presented on page 6 aim at continuously delivering sustainable and profitable growth for the Group. Atlas Copco Group monitors and voluntarily discloses the progress on these material financial and non-financial aspects, through an externally assured, integrated annual report. In addition to the Annual General Meeting, Atlas Copco Group also creates engagement opportunities so that non-shareholders can address the Group in various stakeholder dialogues.

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Board of Directors



Name
Position, year of birth

Hans Stråberg
Chair since 2014, born 1957

Education

M.Sc. in Mechanical Engineering, Chalmers University of Technology, Gothenburg.

Nationality / Elected

Swedish / 2013

External memberships

Chair of AB SKF, Roxtec AB and Anocca AB. Board member of Investor AB. Member of The Royal Swedish Academy of Engineering Sciences.

Principal work experience and other information

President and CEO for AB Electrolux. Various executive positions in the Electrolux Group based in Sweden and the U.S. EU Co-Chair TABD, Trans-Atlantic Business Dialogue.



Vagner Rego
Board member, President and CEO, born 1972

Mechanical engineering from Mackenzie University and an MBA from Ibmec Business School, both in Brazil.

Brazilian / 2024

President and CEO of Atlas Copco AB*. Business Area President for Compressor Technique. President for the Compressor Technique Service division.



Jumana Al-Sibai
Board member, born 1972

University of Karlsruhe (TH), Karlsruhe Institute of Technology, Germany and HEC Lausanne, Switzerland, Diploma in Industrial Engineering.

German / 2023

Board of Trustees at FKFS (Forschungsinstitut für Kraftfahrwesen und Fahrzeugmotoren Stuttgart), Germany.

Member of the Management Board of Mahle GmbH with responsibility for Thermal and Fluid Systems*. CEO of Mahle Behr GmbH & Co. KG, EVP/SVP positions at Robert Bosch GmbH with focus on general management, sales, and strategy. Director at Simon Kucher & Partners Strategy & Marketing Consultants.



Heléne Mellquist
Board member, born 1964

Bachelor in International Business studies, University of Gothenburg. Executive Management, Stockholm School of Economics.

Swedish / 2022

Chair of Hultafors Group, Innovalift, Caljan and Latour Industries. Board member of Alimak Group and Nord-Lock Group.

Executive Vice President and Chief Operating Officer of Latour Group*. President of Volvo Penta. Senior Vice President of Volvo Trucks Europe, Senior Vice President of Volvo Trucks International and CEO of TransAtlantic AB.

Attendance				
Board meetings	10 of 10	4 of 10 [7]	10 of 10	10 of 10
Annual General Meeting	Yes	Yes	Yes	Yes
Independence				
To Atlas Copco AB and its management	Yes	No [3]	Yes	Yes
To major shareholders	No [4]	Yes	Yes	Yes
Fees and holdings				
Total fees 2024, KSEK [1]	4 030		1 092	1 302
Holdings in Atlas Copco AB [2]	166 380 class A shares 132 000 class B shares 59 911 synthetic shares	28 179 class A shares 412 096 employee stock options	6 355 synthetic shares	11 097 synthetic shares

Board members appointed by the labor unions



Benny Larsson
Position: Board member
Year of birth: 1972
Nationality: Swedish
Elected: 2018
Board meetings: 10 of 10



Helena Hemström
Position: Board member
Year of birth: 1969
Nationality: Swedish
Elected: 2021
Board meetings: 10 of 10

REFERENCES:
All educational institutions and companies are based in Sweden, unless otherwise stated.
[1] See more information on the calculation of fees in note 4.
[2] Holdings as per year end 2024, including those of close relatives or legal entities and grant for 2024.
[3] President and CEO of Atlas Copco AB.
[4] Board member of Investor AB, which is a larger owner in Atlas Copco AB.
[5] Consultant to an indirect major shareholder.
[6] Board member of an indirect owner of Atlas Copco AB.
[7] Full attendance since their election at the Annual General Meeting in April 2024.
[8] Elected at the Annual General meeting in April 2024.
* Current position.

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Board of Directors, continued

					
Name **Position, year of birth**	**Johan Forssell** Board member, born 1971	**Anna Ohlsson-Leijon** Board member, born 1968	**Gordon Riske** Board member, born 1957	**Peter Wallenberg Jr** Board member, born 1959	**Karin Rådström** Board member, born 1979
Education	M.Sc. in Economics and Business Administration, Stockholm School of Economics.	B.Sc. in Business Administration and Economics from Linköping University.	MBA programme at GSBA, Zurich, Switzerland, in collaboration with the State University of New York, United States, and BBA, Oekreal School of Business, Zurich, Switzerland.	BSBA Hotel Administration, University of Denver, United States, and International Bachaloria, American School, Leysin, Switzerland.	Master of Engineering in Industrial Management, Royal Institute of Technology, Stockholm
Nationality / Elected	Swedish / 2008	Swedish / 2020	American / German / 2020	Swedish / 2012	Swedish / 2024
External memberships	Board member of ABB Ltd., Wärtsilä Oyj Abp, Finland and Epiroc AB. Member of The Royal Swedish Academy of Engineering Sciences.	Board member of Schneider Electric.	Chair of the MTU Aero Engines, AG Munich, Germany and Sunlight Group SA, Athens, Greece.	Chair of Knut and Alice Wallenberg Foundation, Wallenberg Foundations AB and FAM Förvaltning AB (The Grand Group). Board member of Scania.	
Principal work experience and other information	Senior Advisor, Investor AB and Wallenberg Investments AB*. President and CEO of Investor AB. Managing Director, Head of Core Investments, Investor AB.	Group Executive Vice President and head of Business Area Europe & APACMEA at AB Electrolux*. Senior positions within Electrolux Group including Head of Commercial & Consumer Journey, CFO of AB Electrolux, CFO of Major Appliances EMEA and Head of Electrolux Corporate Control & Services. Chief Financial Officer of Kimoda. Various positions within PricewaterhouseCoopers.	CEO of KION Group AG, Germany. Chairman of the Management Board of Linde Material Handling GmbH, Germany, Chairman of the Management Board of Deutz AG, Germany, Managing Director of KUKA Roboter GmbH, Germany, and management positions at KUKA Schweißanlagen & Roboter GmbH, Germany and KUKA Welding Systems & Robot Corporation, U.S.	President and CEO of The Grand Hotel Holdings, General Manager, The Grand Hotel, President Hotel Division Stockholm-Saltsjön.	CEO of Daimler Truck Holding AG and member of the Board of Management*. CEO of Mercedes-Benz Trucks and member of the Board of Management at Daimler Truck Holding AG. Member of the Executive Board at Scania, responsible for Sales and Marketing. Head of Buses & Coaches, Director of Pre Sales & Marketing Communication (Kenya) and several managing positions all within Scania.
Attendance					
Board meetings	10 of 10	10 of 10	10 of 10	10 of 10	4 of 10 [7]
Annual General Meeting	Yes	Yes	Yes	Yes	Yes
Independence					
To Atlas Copco AB and its management	Yes	Yes	Yes	Yes	Yes
To major shareholders	No [5]	Yes	Yes	No [6]	Yes
Fees and holdings					
Total fees 2024, KSEK [1]	1 320	1 642	1 316	1 316	963
Holdings in Atlas Copco AB [2]	44 000 class B shares, 16 424 synthetic shares	1 400 class B shares, 14 499 synthetic shares	19 228 synthetic shares	666 668 class A shares, 19 228 synthetic shares	2 804 synthetic shares

Board members appointed by the labor unions



Thomas Nilsson
Position: Deputy
Year of birth: 1972
Nationality: Swedish
Elected: 2021
Board meetings: 9 of 10



Mikael Lindberg
Position: Deputy
Year of birth: 1967
Nationality: Swedish
Elected: 2024
Board meetings: 1 of 10 [8]

REFERENCES:
All educational institutions and companies are based in Sweden, unless otherwise stated.
[1] See more information on the calculation of fees in note 4.
[2] Holdings as per year end 2024, including those of close relatives or legal entities and grant for 2024.
[3] President and CEO of Atlas Copco AB.
[4] Board member of Investor AB, which is a larger owner in Atlas Copco AB.
[5] Consultant to an indirect major shareholder.
[6] Board member of an indirect owner of Atlas Copco AB.
[7] Full attendance since their election at the Annual General Meeting in April 2024.
[8] Elected at the Annual General meeting in April 2024.
* Current position.

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Group Management

Besides the President and CEO, the Group Management consists of four business area presidents and five senior vice presidents responsible for the main Group functions; Corporate Communications, Human Resources, Controlling and Finance, Information Technology (IT), and Legal.



Vagner Rego

Vagner Rego joined Atlas Copco Group as a trainee engineer in São Paulo State, Brazil and was later appointed Business Line Manager for Compressor Technique Service. He later became Vice President Marketing and Sales for the Compressor Technique Service division, in Belgium. He has also been General Manager for Construction Technique's customer center in Brazil and President of the Compressor Technique Service division. Before he was appointed President and CEO he was Business Area President for Compressor Technique.

Position: President and CEO

Year of birth: 1972

Education: Mechanical engineering from Mackenzie University and an MBA from Ibmec Business School, both in Brazil.

Nationality: Brazilian

Employed/In current position since: 1996/2024

Holdings in Atlas Copco AB [1]
28 179 class A shares
412 096 employee stock options



Philippe Ernens

Philippe Ernens, started as a product engineer in the Airtec division within the Compressor Technique business area in 1995. After several positions as team leader and engineering manager, he became General Manager and continued to a role as Vice President Operations High Pressure. In 2012 he became President of the Airtec division and in 2016 he took up the position as president for the Oil-free Air division.

Position: Senior Executive Vice President and Business Area President Compressor Technique

Year of birth: 1971

Education: Degree in Electromechanical Engineering from the University of Liege, Belgium.

Nationality: Belgian

Employed/In current position since: 1995/2024

Holdings in Atlas Copco AB [1]
11 348 class A shares
245 774 employee stock options



Koen Lauwers [2]

Koen Lauwers career in the Group includes international assignments in the United States and Germany. In 2023 he was appointed President of the Semiconductor division and prior to this he held the same position for the Industrial Vacuum division, both within the Vacuum Technique business area.

Position: Senior Executive Vice President and Business Area President Vacuum Technique

Year of birth: 1974

Education: M.Sc in Electromechanical Engineering from the University of Leuven and an MBA from the Antwerp Management School, both in Belgium.

Nationality: Belgian

Employed/In current position since: 1997/2025

Holdings in Atlas Copco AB [1]
10 248 class A shares
240 073 employee stock options



Henrik Elmin

Henrik Elmin joined Atlas Copco Group as General Manager for Atlas Copco Tools Customer Center Nordic in the Industrial Technique business area. He was later appointed President of the General Industry Tools and Assembly Systems division. Before his current position he was President of the Industrial Technique Service division.

Position: Senior Executive Vice President and Business Area President Industrial Technique

Year of birth: 1970

Education: M.Sc. in Mechanical Engineering from Lund Institute of Technology and an MBA from INSEAD, France.

Nationality: Swedish

Employed/In current position since: 2007/2017

Holdings in Atlas Copco AB [1]
16 240 class A shares
420 829 employee stock options



Andrew Walker

Andrew Walker has held several different management positions in markets including the United Kingdom, Ireland, Belgium and the United States. Before his current position, he was President of the Service division within Compressor Technique.

Position: Senior Executive Vice President and Business Area President Power Technique

Year of birth: 1961

Education: M.Sc. in Industrial Engineering and an MBA, both from University College Dublin, Ireland.

Nationality: Irish

Employed/In current position since: 1986/2014

Holdings in Atlas Copco AB [1]
29 797 class A shares
12 788 class B shares
370 923 employee stock options

[1] Holdings as per year end 2024, including those held by related natural or legal persons. See note 22 for more information on the option programs and matching shares. All educational institutions and companies are based in Sweden, unless otherwise indicated.

[2] In current position since January 1, 2025.

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Group Management, continued



Peter Kinnart

Peter Kinnart started his career at Atlas Copco Group as business controller at Airpower in Antwerp. He has held several management positions within different areas at Atlas Copco Group in Belgium, Germany, Spain and Switzerland. Prior to his current position, he was Vice President Business Control for the Atlas Copco Group's Compressor Technique business area.

Position: Senior Vice President, Chief Financial Officer

Year of birth: 1969

Education: Master in Applied Economic Science and a Master in Commercial Engineering from the University of Antwerp (UFSIA), Belgium.

Nationality: Belgian

Employed/In current position since: 1993/2021

Holdings in Atlas Copco AB [1]
7 800 class A shares
220 508 employee stock options



Eva Klasén

Eva Klasén joined Atlas Copco Group in 2000 as Assistant Corporate Counsel and has since then held several positions in the legal functions in both Sweden and China. She has been supporting several M&A projects, setting up the legal department in China and also being the General Counsel for EMEA, leading the team of lawyers in the area. Before her current position she was Vice President, Deputy Chief Legal Officer.

Position: Senior Vice President, Chief Legal Officer

Year of birth: 1975

Education: Master of Law from Lund University.

Nationality: Swedish

Employed/In current position since: 2000/2022

Holdings in Atlas Copco AB [1]
5 655 class A shares
154 654 employee stock options



Cecilia Sandberg

Cecilia Sandberg began her career as Human Resources consultant for a travel agency. From 1999 to 2007 she held different Human Resources roles at Scandinavian Airlines and AstraZeneca. Between 2007 and 2015 she was Vice President Human Resources for Atlas Copco Group's Industrial Technique business area. Before she started in her current position she was Senior Vice President Human Resources at Permobil.

Position: Senior Vice President, Chief Human Resources Officer

Year of birth: 1968

Education: B.Sc. in Human Resources and a M.Sc. in Sociology from Stockholm University.

Nationality: Swedish

Employed/In current position since: 2017/2017

Holdings in Atlas Copco AB [1]
12 752 class A shares
1 230 class B shares
232 662 employee stock options



Sara Hägg Liljedal

Sara Hägg Liljedal began her career as a journalist working for different Swedish media. Between 2007 and 2013 she worked as Press Secretary for the Speaker of the Swedish Parliament. She has also held roles as a Press and PR Manager for Swedish investment services companies Swedbank Robur and Skandia. Before she was appointed Senior Vice President, Chief Communications Officer, she was Media Relations Manager for the Atlas Copco Group.

Position: Senior Vice President, Chief Communications Officer

Year of birth: 1980

Education: BA in Journalism from Stockholm University.

Nationality: Swedish

Employed/In current position since: 2018/2022

Holdings in Atlas Copco AB [1]
4 601 class A shares
240 class B shares
111 379 employee stock options



Marcus Hvied

Marcus Hvied was IT Director Global IT Shared Services for Assa Abloy before he joined Atlas Copco Group as General Manager IT Services and Head of Group IT.

Position: Senior Vice President, Chief Information Officer

Year of birth: 1978

Education: Master of Science in Applied Information technology, from Chalmers University of Technology and the IT-University in Gothenburg.

Nationality: Swedish

Employed/In current position since: 2018/2024

Holdings in Atlas Copco AB [1]
1 500 class A shares
121 150 employee stock options

[1] Holdings as per year end 2024, including those held by related natural or legal persons. See note 22 for more information on the option programs and matching shares. All educational institutions and companies are based in Sweden, unless otherwise indicated.

[2] In current position since January 1, 2025.

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Internal control over financial and sustainability reporting

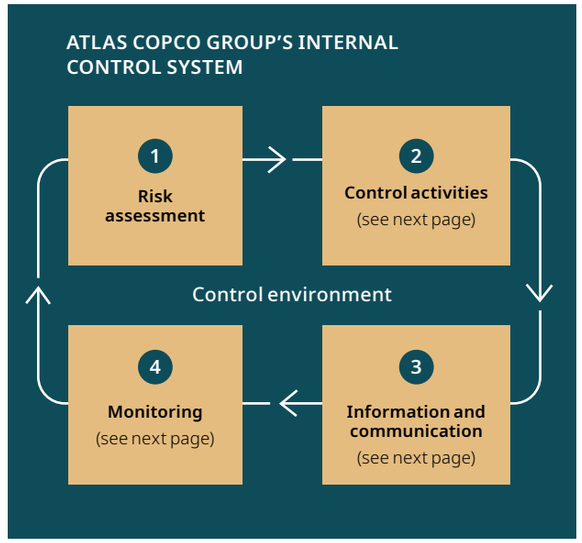
This section includes a description of Atlas Copco Group's system of internal controls over financial reporting in accordance with the requirements set forth in the Swedish Code of Corporate Governance and as stipulated by the Swedish Companies Act.

The purpose of well-developed internal controls over financial and sustainability reporting is to ensure correct and reliable statements and disclosures.

The basis for the internal control is defined by the overall control environment. The Board of Directors is responsible for establishing an efficient internal control system and governs the work through the Audit Committee and CEO. Group Management sets the tone for the organization, influencing the control awareness of employees. One key success factor for a strong control environment lies in ensuring that the organizational structure, decision hierarchy, corporate values in terms of ethics and integrity as well as authority to act, are clearly defined and communicated through guiding documents such as internal policies, guidelines, manuals, and codes.

The financial and sustainability reporting accounting policies and guidelines are issued by Group Management to all subsidiaries, and followed up with newsletters and conference calls. Trainings are also held for complex accounting areas and new accounting policies. The policies and guidelines detail the appropriate accounting for key risk areas, such as revenues, trade receivables, including bad debt provisions, inventory costing and obsolescence, accounting for income taxes (current and deferred) and business acquisitions.

The internal control process is based on a control framework that creates structure for the other four components of the process – risk assessment, control activities, information and communication as well as monitoring. The starting point of the process is the framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), www.coso.org.



1 Risk assessment

The company applies different processes to assess and identify the main risks relating to financial reporting misstatements. The risk assessments are regularly performed to identify new risks and follow up that internal control is adequate to address the identified risks. The key risk areas for the financial reporting and control activities that are in place to manage the risks are presented in the table on the next page.

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Internal control over financial and sustainability reporting, continued

KEY FINANCIAL REPORTING RISKS	Revenues are not recognized in the appropriate accounting period	Trade receivables are not appropriately valued	Inventory is not appropriately valued at the lower of cost or net realizable value	Income taxes are not accounted for in accordance with applicable tax legislation	Business acquisitions and associated goodwill as well as intangible assets are not appropriately accounted for
2 **Control activities to manage key financial reporting risks**	Customer contracts are signed at appropriate level within the Group.	Trade receivables and provisions for bad debt are appropriately reconciled at each reporting date.	Inventory counts are performed on a regular basis.	Tax calculations are prepared and reviewed at each reporting date.	All business acquisitions are approved by the Board, CEO or Divisional President.
	Revenues are disaggregated and analyzed by type (e.g. goods, services and rental) and by period at local, divisional, business area and Group level.	Credit assessments are performed, and credit limits are reviewed on a regular basis.	Inventories are appropriately reconciled at each reporting date.	The effective tax rate for each country is analyzed at each reporting date by Group Tax.	Purchase price allocations are prepared at divisional level and reviewed at Group level.
	Revenues for goods shipped are scrutinized at period end against shipping terms and the percentage of completion for services and projects are assessed at each reporting date.	Provisions for bad debts are made according to Group policy.	Inventory costs are reviewed and approved by the divisions.	Compliance with transfer pricing policies is monitored regularly.	Goodwill impairment tests are prepared at business area level and reviewed at Group level.
		Days of sales are analyzed at local, divisional, business area and Group level.	Inventory levels and the saleability of inventory are assessed at each reporting date together with obsolescence.	Ongoing tax audits and disputes are monitored by Group tax specialists.	

3 Information and communication

The company has information and communication channels designed to ensure that information is identified, captured and communicated in a form and timeframe that enable managers and other employees to carry out their responsibilities. Reporting instructions and accounting guidelines are communicated to personnel concerned through the financial and sustainability reporting accounting policies and guidelines, which are included in the handbook *The Way We Do Things*, and supported by, for example, training programs for different categories of employees. A common Group reporting system is used to report and consolidate all financial information.

4 Monitoring

Examples of monitoring activities for the financial and sustainability reporting include:

- Management at divisional, business area and Group level regularly reviews the financial and sustainability information and assesses compliance to Group policies.
- The Audit Committee and the Board of Directors regularly review reports on financial and sustainability performance of the Group, by business area and geography.
- The internal audit process aims to provide independent and objective assurance on internal control. The internal audit process serves the purpose to identify improvements of the internal controls but also to identify and recommend leading practices within the Group. Furthermore, the process aims to serve as a tool for employee professional development and competence developments within the area of internal control. Internal audits are annually planned or initiated by the Group internal audit function with a risk-based approach. Internal audits are conducted under leadership of Group internal audit staff with audit team members having diverse functional competencies but always with expertise in accounting and controlling. The results of the internal audits undertaken are regularly reported to the Audit Committee and to Group Management.
- A control self-assessment (CSA) is performed primarily to support local unit managers to evaluate the status of their control routines and to address areas for improvement. One of the areas in the CSA is internal control, which includes internal control over financial and sustainability reporting. Other areas include legal matters, communication and branding, and the Code of Conduct.
- The Group has an independent whistleblowing system where employees and other stakeholders can anonymously report on behavior or actions that are possible violations of laws or of Group policies, including violations of accounting and financial reporting guidelines and policies. The reporting system also includes perceived cases of human rights violation, discrimination or corruption. The reports are treated confidentially and the person reporting is guaranteed anonymity via an independent third-party service provider. More information about the system can be found on page 71.
- In the compliance process, all managers and all employees are requested to sign a statement confirming understanding and compliance to financial policies, the Code of Conduct and applicable laws and regulations.

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Consolidated income statement

For the year ended December 31 Amounts in MSEK	Note	2024	2023
Revenues	3	176 771	172 664
Cost of sales		–101 027	–97 547
Gross profit		**75 744**	**75 117**
Marketing expenses		–20 349	–19 387
Administrative expenses		–10 753	–10 649
Research and development expenses		–7 065	–6 693
Other operating income	6	1 078	544
Other operating expenses	6	–534	–1 882
Share of profit in associated companies and joint ventures	13	45	41
Operating profit	3, 4, 5, 15	**38 166**	**37 091**
Financial income	7	707	440
Financial expenses	7	–1 073	–1 089
Net financial items		**–366**	**–649**
Profit before tax		**37 800**	**36 442**
Income tax expense	8	–8 006	–8 390
Profit for the year		**29 794**	**28 052**
Profit attributable to:			
– owners of the parent		29 782	28 040
– non-controlling interests		12	12
Basic earnings per share, SEK	10	6.11	5.76
Diluted earnings per share, SEK	10	6.10	5.75

Consolidated statement of comprehensive income

For the year ended December 31 Amounts in MSEK	Note	2024	2023
Profit for the year		**29 794**	**28 052**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		218	–753
Income tax relating to items that will not be reclassified		–57	192
		161	**–561**
Items that may be reclassified subsequently to profit or loss			
Translation differences:			
– on foreign operations		6 558	–4 717
Hedge of net investments in foreign operations		–603	148
Cash flow hedges		–	28
Income tax relating to items that may be reclassified		203	–50
		6 158	**–4 591**
Other comprehensive income for the year, net of tax	9	**6 319**	**–5 152**
Total comprehensive income for the year		**36 113**	**22 900**
Total comprehensive income attributable to:			
– owners of the parent		36 098	22 892
– non-controlling interests		15	8

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Amounts in MSEK	Note	Dec. 31, 2024	Dec. 31, 2023
ASSETS			
Non-current assets			
Intangible assets	11	77 107	67 501
Rental equipment	12	5 947	4 345
Other property, plant and equipment	12	17 745	14 358
Right-of-use assets	21	7 133	5 763
Investments in associated companies and joint ventures	13	840	854
Other financial assets	14	1 663	1 394
Other receivables		17	28
Deferred tax assets	8	2 575	2 234
Total non-current assets		**113 027**	**96 477**
Current assets			
Inventories	15	29 012	29 283
Trade receivables	16	33 817	32 680
Income tax receivables		958	1 351
Other receivables	17	12 322	11 041
Other financial assets	14	434	965
Cash and cash equivalents	18	18 968	10 887
Total current assets		**95 511**	**86 207**
TOTAL ASSETS		**208 538**	**182 684**

Amounts in MSEK	Note	Dec. 31, 2024	Dec. 31, 2023
EQUITY	Page 103		
Share capital		786	786
Other paid-in capital		9 853	9 380
Reserves		16 018	9 863
Retained earnings		87 043	71 421
Total equity attributable to owners of the parent		**113 700**	**91 450**
Non-controlling interests		60	50
TOTAL EQUITY		**113 760**	**91 500**
LIABILITIES			
Non-current liabilities			
Borrowings	20	31 688	29 967
Post-employment benefits	22	2 740	2 584
Other liabilities		676	462
Provisions	24	1 643	1 692
Deferred tax liabilities	8	2 616	2 267
Total non-current liabilities		**39 363**	**36 972**
Current liabilities			
Borrowings	20	3 076	2 742
Trade payables	20	16 788	17 792
Income tax liabilities		2 463	3 313
Other liabilities	23	30 339	27 766
Provisions	24	2 749	2 599
Total current liabilities		**55 415**	**54 212**
TOTAL EQUITY AND LIABILITIES		**208 538**	**182 684**

Information concerning assets pledged and contingent liabilities is disclosed in note 25.

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Consolidated statement of changes in equity

2024	Equity attributable to owners of the parent							
Amounts in MSEK	Share capital	Other paid-in capital	Hedging reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance, Jan. 1	786	9 380	8	9 855	71 421	91 450	50	91 500
Profit for the year	–	–	–	–	29 782	29 782	12	29 794
Other comprehensive income for the year	–	–	–	6 155	161	6 316	3	6 319
Total comprehensive income for the year	**–**	**–**	**–**	**6 155**	**29 943**	**36 098**	**15**	**36 113**
Dividend	–	–	–	–	–13 647	–13 647	–5	–13 652
Acquisition of series A shares	–	–	–	–	–898	–898	–	–898
Divestment of series A shares	–	473	–	–	470	943	–	943
Change of non-controlling interests	–	–	–	–	–8	–8	–	–8
Share-based payment, equity settled:								
– expense during the year	–	–	–	–	253	253	–	253
– exercise option	–	–	–	–	–484	–484	–	–484
– related tax	–	–	–	–	–7	–7	–	–7
Closing balance, Dec. 31	**786**	**9 853**	**8**	**16 010**	**87 043**	**113 700**	**60**	**113 760**

2023	Equity attributable to owners of the parent							
Amounts in MSEK	Share capital	Other paid-in capital	Hedging reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance, Jan. 1	786	8 695	–14	14 464	56 045	79 976	50	80 026
Profit for the year	–	–	–	–	28 040	28 040	12	28 052
Other comprehensive income for the year	–	–	22	–4 609	–561	–5 148	–4	–5 152
Total comprehensive income for the year	**–**	**–**	**22**	**–4 609**	**27 479**	**22 892**	**8**	**22 900**
Dividend	–	–	–	–	–11 203	–11 203	–8	–11 211
Acquisition of series A shares	–	–	–	–	–1 243	–1 243	–	–1 243
Divestment of series A shares	–	685	–	–	823	1 508	–	1 508
Change of non-controlling interests	–	–	–	–	–8	–8	–	–8
Share-based payment, equity settled:								
– expense during the year	–	–	–	–	165	165	–	165
– exercise option	–	–	–	–	–706	–706	–	–706
– related tax	–	–	–	–	69	69	–	69
Closing balance, Dec. 31	**786**	**9 380**	**8**	**9 855**	**71 421**	**91 450**	**50**	**91 500**

Additional information concerning equity is disclosed in note 19.

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Consolidated statement of cash flows

For the year ended December 31 Amounts in MSEK	Note	2024	2023
Cash flows from operating activities			
Operating profit		38 166	37 091
Adjustments for:			
Depreciation, amortization and impairment	11, 12, 21	8 785	7 761
Capital gain/loss and other non-cash items		148	929
Operating cash surplus		**47 099**	**45 781**
Net financial items received/paid		151	–883
Taxes paid		–9 470	–8 758
Pension funding and payment of pension to employees		–517	–512
Cash flow before change in working capital		**37 263**	**35 628**
Change in:			
Inventories		2 423	–2 950
Operating receivables		544	–4 418
Operating liabilities		–899	1 593
Change in working capital		**2 068**	**–5 775**
Increase in rental equipment		–2 526	–1 814
Sale of rental equipment		82	45
Net cash from operating activities		**36 887**	**28 084**

For the year ended December 31 Amounts in MSEK	Note	2024	2023
Cash flows from investing activities			
Investments in other property, plant and equipment	12	–4 236	–3 987
Sale of other property, plant and equipment		74	101
Investments in intangible assets	11	–1 788	–1 464
Acquisition of subsidiaries	2	–7 424	–4 314
Investment in other financial assets, net		52	276
Net cash from investing activities		**–13 322**	**–9 388**
Cash flows from financing activities			
Ordinary dividend		–13 647	–11 203
Dividend paid to non-controlling interest		–5	–8
Acquisition of non-controlling interest		–19	–
Repurchase of own shares		–898	–1 243
Divestment of own shares		943	1 508
Borrowings		376	7 697
Repayment of borrowings		–1 296	–12 925
Settlement of CSA [1]		552	–309
Payment of lease liabilities	21	–1 870	–1 793
Net cash from financing activities		**–15 864**	**–18 276**
Net cash flow for the year		**7 701**	**420**
Cash and cash equivalents, Jan. 1		10 887	11 254
Net cash flow for the year		7 701	420
Exchange-rate difference in cash and cash equivalents		380	–787
Cash and cash equivalents, Dec. 31	18	**18 968**	**10 887**

[1] Credit Support Annex, see note 26.

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INFORMATION OF MATERIAL ACCOUNTING PRINCIPLES

The consolidated financial statements comprise Atlas Copco AB, the Parent Company ("the Company"), and its subsidiaries (together "the Group" or Atlas Copco Group) and the Group's interest in associated companies and joint ventures. Atlas Copco AB is headquartered in Nacka, Sweden.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as endorsed by the EU. The statements are also prepared in accordance with the Swedish recommendation RFR 1 "Supplementary Accounting Rules for Groups" and applicable statements issued by the Swedish Corporate Reporting Board. These require certain additional disclosures for Swedish consolidated financial statements prepared in accordance with IFRS Accounting Standards.

The accounting principles set out below have been consistently applied to all periods presented, unless otherwise stated, and for all entities included in the consolidated financial statements. The annual report for the Group and for Atlas Copco AB, including financial statements, was approved for issuance on March 19, 2025. The balance sheets and income statements are subject to approval by the Annual General Meeting of the shareholders on April 29, 2025.

Basis of consolidation

The consolidated financial statements of the Group include all entities in which the Company, directly or indirectly, has control.

Generally, control and hence consolidation is based on ownership. In a few exceptions, consolidation is based on agreements that give the Group control over an entity. See note A22 for information on the Group's subsidiaries.

Business combinations

At the acquisition date, i.e. the date on which control is obtained, each identifiable asset acquired and liability assumed is recognized at its acquisition-date fair value. The consideration transferred, measured at fair value, includes assets transferred by the Group, liabilities to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Any subsequent change in such fair value is recognized in profit or loss, unless the contingent consideration is classified as equity.

Non-controlling interest is initially measured either

- at fair value, or
- at the non-controlling interest's proportionate share of the fair value of identifiable net assets.

Subsequent profit or loss attributable to the non-controlling interest is allocated to the non-controlling interest, even if it puts the non-controlling interest in a deficit position. Acquisitions of non-controlling interests are recognized as a transaction between equity attributable to owners of the parent and non-controlling interests. The difference between consideration paid and the proportionate share of net assets acquired is recognized in equity. For details on the acquisitions made during the year, see note 2.

Associated companies and joint ventures

Investments in associated companies and joint ventures are reported according to the equity method.

"Share of profit in associated companies and joint ventures", included in the income statement, comprises the Group's share of the associate's and joint venture's income after tax adjusted for any amortization and depreciation, impairment losses, and other adjustments arising from any remaining fair value adjustments recognized at acquisition date.

Unrealized gains and losses arising from transactions with an associate, or a joint venture are eliminated to the extent of the Group's interest, but losses only to the extent that there is no evidence of impairment of the asset. When the Group's share of losses in an associate or a joint venture, equals or exceeds its interest in the associate or joint venture, the Group does not recognize further losses unless the Group has incurred obligations or made payments on behalf of the associate.

Functional currency and foreign currency translation

The consolidated financial statements are presented in Swedish krona (SEK), which is the functional currency for Atlas Copco AB and also the presentation currency for the Group's financial reporting. Unless otherwise stated, the amounts presented are in millions Swedish krona (MSEK).

The exchange rate gains and losses related to receivables and payables and other operating receivables and liabilities are included in "Other operating income and expenses" and foreign exchange rate gains and losses attributable to other financial assets and liabilities are included in "Financial income and expenses". Exchange rate differences on translation to functional currency are reported in "Other comprehensive income" in the following cases:

- translation of a financial liability designated as a hedge of the net investment in a foreign operation,
- translation of intra-group receivables from, or liabilities to, a foreign operation that in substance is part of the net investment in the foreign operation,
- cash flow hedges of foreign currency to the extent that the hedge is effective.

In the consolidation, the balance sheets of foreign subsidiaries are translated to SEK using exchange rates at the end of the reporting period and the income statements are translated at the average rates for the reporting period. Foreign exchange differences arising on such translation are recognized in "Other comprehensive income" and are accumulated in the currency translation reserve in equity. Exchange rates for major currencies that have been used for the consolidated financial statements are shown in note 26.

Hyperinflation in Türkiye

The income statement and non-monetary items in the balance sheet for all Turkish subsidiaries within the Group have been restated for hyperinflation impact. The index used by the Group for the remeasurement to hyperinflation of the income statements and non-monetary items in the balance sheet is the consumer price index from the Turkish statistical institute. The income statement for all Turkish subsidiaries have been recalculated using the exchange rate on the balance sheet date. The net monetary gain or loss is recognized in the income statement within "Financial items". The hyperinflation impact has been excluded in the statement of cash flows.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, and for which discrete financial information is available. The operating results of all operating segments are reviewed regularly by the Group's President and CEO, the chief operating decision maker, to make decisions about allocation of resources to the segments and also to assess their performance. See note 3 for additional information.

Revenue recognition

Goods sold

Revenue from goods sold are recognized at one point in time when control of the good has been transferred to the customer. This occurs for example when the Group has a present right to payment for the good, the customer has legal title of the good, the good has been delivered to the customer and/or the customer has the significant risks and rewards of the ownership of the good.

When the goods sold are highly customized and an enforceable right to payment is present, revenue is recognized over time using the proportion of cost incurred to date compared to estimated total cost to measure the progress towards complete satisfaction of that performance.

Installation services are sold together with the good or separately. The Group assesses the contract at inception, and the installation service is either considered as part of the performance obligation of the sale of the good or as a separate performance obligation. The installation service is a separate performance obligation when the customer can benefit from the service either on its own or together with other resources readily available and the promise to transfer the service to the customer is separately identifiable from other promises in the contract.

For buy-back commitments where the buy-back price is lower than the original selling price but there is an economic incentive for the customer to use the buy-back commitment option, the transaction is accounted for as a lease.

Variable consideration

Some contracts with customers provide a right of return, trade discounts or volume rebates. If revenue cannot be reliably measured, the Group defers revenue until the uncertainty is resolved. Such liabilities are estimated at contract inception and updated thereafter.

Rights of return

When a contract with a customer provides a right to return the good within a specified period, the Group accounts for the right of return using the expected value method. The amount of revenue related to the expected returns is deferred and recognized in the balance sheet within "Other liabilities". A corresponding adjustment is made to the cost of sales and recognized in the balance sheet within "Inventories".

Rendering of service

Revenue from service (including fixed fee service contracts that are within the definition of insurance contracts) is recognized over time by reference to the progress towards satisfaction of each performance obligation. The progress towards satisfaction of each performance obligation is measured by the proportion of cost incurred to date compared to estimated total cost of each performance obligation.

Where the outcome of a service contract cannot be estimated reliably, revenue is recognized to the extent of cost incurred that are expected to be recoverable. When it is probable that total contract costs will exceed total

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revenue, the expected loss is recognized as an expense immediately. When the value of the service performed to the customer corresponds directly to the right to invoice for that service, revenue is recognized to the amount invoiced.

Specialty rental
Income from specialty rental is recognized on a straight-line basis over the rental period. The specialty rental business is considered to be a service as this includes a complete solution to the customers to fulfill the customer needs. Sale of equipment from the specialty rental business is recognized as revenue when the control of the asset has been transferred to the buyer. Indicators of transfer of control is explained under "Goods sold" see page 89. The carrying value of the specialty rental equipment sold is recognized as cost of sales. Investments in and sales of specialty rental equipment are included in cash flows from operating activities.

Contract assets and contract liabilities
The contract assets (unbilled receivables) and contract liabilities (advances from customers) are reported in the consolidated balance sheet, in "Other receivables" or "Other liabilities", on a contract-by-contract basis at the end of each reporting period. Payment terms range from contract to contract and are dependent upon the agreement with the customer.

Practical expedients
The Group has elected to apply the following practical expedients:
For the disclosure of the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, the Group does not disclose the value related to the following expedients:
- the performance obligation that is part of the contract that has an original expected duration of one year or less, and
- the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

For incremental cost of obtaining the contract, the Group uses the practical expedient of recognizing the incremental cost as an expense if the amortization period of the asset, that otherwise would have been recognized, is one year or less.

Government grants
Government grants related to expenses are recognized in the income statement as a deduction of the associated expenses. If the grants cannot be allocated to an associated expense, government grants are recognized in "Other operating income". Government grants related to assets are recognized as a deduction in arriving at the carrying amount of the asset and recognized as revenue over the useful life of the asset through a reduction of the depreciation expense. See note 6 for additional information.

Income taxes
Income taxes include both current and deferred taxes. Income taxes are reported in profit or loss unless the underlying transaction is reported in "Other comprehensive income" or in "Equity", in which case the corresponding tax is reported according to the same principle.

Deferred tax is recognized using the balance sheet liability method. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. In the calculation of deferred taxes, enacted or substantively enacted tax rates are used for the individual tax jurisdictions.

The Group applies the temporary mandatory exception to accounting for deferred taxes arising from the implementation of the OECD's Pillar Two. For details regarding taxes, see note 8.

Earnings per share
Basic earnings per share are calculated based on the profit for the year attributable to owners of the parent and the basic weighted average number of shares outstanding. Diluted earnings per share are calculated based on the profit for the year attributable to owners of the parent and the diluted weighted average number of shares outstanding. Dilutive effects arise from stock options that are settled in shares in the share-based incentive programs.

Stock options have a dilutive effect when the average share price during the period exceeds the exercise price of the options. When calculating the dilutive effect, the exercise price is adjusted by the value of future services related to the options. See note 10 for more details.

Intangible assets
Goodwill
Goodwill is recognized at cost, as established at the date of acquisition, less accumulated impairment losses, if any. Goodwill is allocated to the cash-generating units (CGU) that are expected to benefit from the synergies of the business combination. The four business areas of Atlas Copco Group's operations have been identified as CGUs. Goodwill is reported as an intangible asset with indefinite useful life.

Technology-based intangible assets
Expenditure on research and development activities is expensed as incurred, unless the development expenditures meet the criteria for being capitalized.

The development expenditures capitalized includes the cost of materials, direct labor, and other costs directly attributable to the project. Capitalized development expenditure is carried at cost less accumulated amortization and impairment losses. Amortization and impairment has been reported as part of research and development costs in the income statement since the Group follows up on the research and development function as a whole.

Trademarks
Trademarks acquired by the Group are capitalized based on their fair value at the time of acquisition. Certain trademarks are estimated to have an indefinite useful life and are carried at cost less accumulated impairment losses. Other trademarks, which have finite useful lives, are carried at cost less accumulated amortization and impairment losses.

Marketing and customer related intangible assets
Acquired marketing and customer related intangibles are capitalized based on their fair value at the time of acquisition and are carried at cost less accumulated amortization and impairment losses.

Other intangible assets
Acquired intangible assets relating to contract-based rights, such as licenses or franchise agreements, are capitalized based on their fair value at the time of acquisition and carried at cost less accumulated amortization and impairment losses. Changes in the Group's intangible assets during the year are described in note 11.

Property, plant and equipment
Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. The Group capitalizes costs on initial recognition and on replacement of significant parts of property, plant and equipment if it is probable that the future economic benefits embodied will flow to the Group and the cost can be measured reliably. All other costs are recognized as an expense in profit or loss when incurred. Changes in the Group's property, plant and equipment during the year are described in note 12.

Rental equipment
The rental fleet is comprised of diesel and electric powered air compressors, generators, air dryers, and to a lesser extent general construction equipment. Rental equipment is initially recognized at cost and is depreciated over the estimated useful lives of the equipment. Rental equipment is depreciated to a residual value estimated at 0–10% of cost.

Depreciation and amortization
Depreciation and amortization are calculated based on cost using the straight-line method over the estimated useful life of the asset. The following useful lives are used for depreciation and amortization:

Technology-based intangible assets	3–15 years
Trademarks with finite lives	5–15 years
Marketing and customer related intangible assets	5–15 years
Buildings	25–50 years
Machinery and equipment	3–10 years
Vehicles	4–5 years
Computer hardware and software	3–10 years
Rental equipment	3–8 years

Leases
Group as lessee
Recognition of a lease
Upon initiation, contracts are assessed by the Group, to determine whether a contract is, or contains a lease. The Group has elected to separate the non-lease components and apply a number of practical expedients with regard to short-term leases and leases for which the underlying asset is of low value. In cases where the Group acts as an intermediate lessor, it accounts for its interests in the head-lease and the sub-lease separately.

Right-of-use asset
On commencement date, the Group measures the right-of-use asset at cost.

The right-of-use asset is depreciated over the lease term, using the straight-line method. Changes in the Group's right-of-use asset during the year is described in note 21.

Lease liability
On commencement date, the lease liability is measured at the present value of the unpaid lease payments, discounted using the interest rate implicit in

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the lease, or if the rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortized cost by using the effective interest rate method. For additional information see note 20.

Short-term leases and leases for which the underlying asset is of low value
The Group has elected to apply recognition exemptions for short-term leases and leases for which the underlying asset is of low value, for example office equipment such as printers and computers. Lease payments associated with those leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor
At inception of a lease contract, the Group assess whether the lease is a finance lease or an operating lease. Under finance leases where the Group acts as lessor, the transaction is recognized as a sale and a lease receivable, comprising the future minimum lease payments and any residual value guaranteed to the Group. Lease payments are recognized as repayment of the lease receivable and interest income. In cases where the Group acts as a lessor under an operating lease, the lease payments are included in profit or loss on a straight-line basis over the term of the lease.

In cases where the Group acts as an intermediate lessor, it accounts for its interests in the head-lease and the sub-lease separately. The Group assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head-lease.

Inventories
Inventories are recognized according to the first-in, first-out principle and includes the cost of acquiring inventories and bringing them to their existing location and condition. Inventories manufactured by the Group and work in progress include an appropriate share of production overheads based on normal operating capacity. Inventories are reported net of deductions for obsolescence and internal profits arising in connection with deliveries from the production companies to the customer centers. The calculation of net realizable value is based on estimated sales prices, over-stock articles, outdated articles, damaged goods, and selling costs. If the estimated net realizable value is lower than cost, a valuation allowance is established for inventory obsolescence. See note 15 for additional information.

Equity
Shares issued by the company are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effect.

When Atlas Copco AB shares are repurchased, the amount of the consideration paid is recognized as a deduction from equity net of any tax effect. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or subsequently reissued, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is transferred to or from Other paid-in capital.

Provisions
Provisions for product warranties are recognized as cost of sales at the time the products are sold based on the estimated cost using historical data for level of repairs and replacements.

A restructuring provision is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or been announced publicly.

Present obligations arising under onerous contracts are recognized as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Before a provision is established, the Group recognizes any impairment loss on the asset associated with the contract. For details on provisions see note 24.

Post-employment benefits
The Group's post-employment benefit plans consists of both defined contribution and defined benefit plans. Contributions to defined contributions plans are expensed when employees provide services entitling them to the contribution.

For defined benefit plans the Group has obligation to provide agreed benefits to current and former employees. The net obligation of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in return for their services in current and prior periods. The amount is discounted to determine its present value and the fair values of any plan assets are deducted. Funded plans with net assets, i.e. plans with assets exceeding the commitments, are reported as financial non-current assets.

The cost for defined benefit plans is calculated using the Projected Unit Credit Method, which distributes the cost over the employee's service period. The calculation is performed annually by independent actuaries using actuarial assumptions such as employee turnover, mortality, future increase in salaries and medical cost. Changes in actuarial assumptions, experience adjustments of obligations and changes in fair value of plan assets result in remeasurements and are recognized in "Other comprehensive income". Each quarter a remeasurement is performed to adjust the present value of pension liabilities and the fair value of pension assets against "Other comprehensive income". Net interest on defined benefit obligations and plan assets is reported as "Interest income" or "Interest expense". See note 22 for additional information.

Share-based compensation
The Group has share-based incentive programs, consisting of share options and share appreciation rights, which have been offered to certain employees based on position and performance. Additionally, the Board is offered synthetic shares.

The fair value of share options that can only be settled in shares (equity-settled) is recognized as an employee expense with a corresponding increase in equity. The fair value, measured at grant date using the Black-Scholes formula, is recognized as an expense over the vesting period. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of the share appreciation rights and synthetic shares is recognized in accordance with principles for cash-settled share-based payments. The value is recognized as an employee expense with a corresponding increase in liabilities. The fair value, measured at grant date and remeasured at each reporting date using the Black-Scholes formula, is accrued, and recognized as an expense over the vesting period. Changes in fair value are, during the vesting period and after the vesting period until settlement, recognized in profit or loss as an employee expense. The accumulated expense recognized equals the cash amount paid at settlement.

Social security charges are paid in cash and are accounted for in consistence with the principles for cash-settled share-based payments, regardless of whether they are related to equity- or cash-settled share-based payments. See note 22 for additional information.

Financial assets and liabilities – financial instruments
Measurement of financial instruments
Financial instruments are classified at initial recognition. The classification decides the measurement of the instruments. Fair value for financial assets and financial liabilities is determined in the manner described in note 26.

Classification and measurement of financial assets
Equity instruments: are classified at fair value through profit or loss (FVTPL).

Derivative instruments: are classified at FVTPL, unless they are classified as a hedging instrument and the effective part of the hedge is recognized in "Other comprehensive income".

Debt instruments: the classification of financial assets that are debt instruments, including hybrid contracts, is based on the Group's business model for managing the assets and the asset's contractual cash flow characteristics. The instruments are classified at:
- amortized cost,
- fair value through "Other comprehensive income" (FVOCI), or
- fair value through profit or loss (FVTPL).

Financial assets at amortized cost are at initial recognition measured at fair value including transaction costs. After initial recognition, they are measured at amortized cost using the effective interest rate method.

Financial instruments in the category FVOCI are recognized at fair value at initial recognition and changes in fair value are recognized in "Other comprehensive income" (OCI) until derecognition, when the amounts in OCI are reclassified to profit or loss.

FVTPL are all other debt instruments that are not measured at amortized cost or FVOCI. Financial instruments in this category are recognized at fair value at initial recognition and changes in fair value are recognized in profit or loss.

Impairment of financial assets
Financial assets, except those classified at fair value through profit and loss (FVTPL), are subject to impairment for expected credit losses (ECL). In addition, the impairment model applies to contract assets, loan commitments and financial guarantees that are not measured at FVTPL.

The simplified model is applied on trade receivables, lease receivables, contract assets and certain other financial receivables. A loss allowance is recognized over the expected lifetime of the receivable or asset. For other items subject to ECL, the impairment model with a three-stage approach is applied. Initially, and at each reporting date, a loss allowance will be recognized for the following 12 months, or a shorter time period depending on the time to maturity (stage 1). If it has been a significant increase in credit risk since origination, a loss allowance will be recognized for the remaining lifetime of the asset (stage 2). For assets that are considered as credit impaired, allowance for credit losses will continue to capture the lifetime expected credit losses (stage 3).

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1. Information of material accounting principles, key sources of uncertainty in estimates and judgements, continued

For credit impaired receivables and assets, the interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than its gross carrying amount as in previous stages.

In the respective model applied, the measurement of ECL is based on different methods for different credit risk exposures. For trade receivables, contract assets and certain other financial receivables, the method is based on historical loss rates in combination with forward looking considerations. Lease receivables, certain other financial receivables and cash and cash equivalent are impaired by a rating method, where ECL is measured by the product of the probability of default, loss given default, and exposure at default. Both external credit agencies rating and internally developed rating methods are applied.

The measurement of ECL considers potential collaterals and other credit enhancements in the form of guarantees.

The financial assets are presented in the financial statements at amortized cost, i.e. net of gross carrying amount and the loss allowance. Changes in the loss allowance is recognized in profit or loss, as impairment losses within the line "Cost of sales".

Classification and measurement of financial liabilities

Financial liabilities are classified at amortized cost, except derivatives. Financial liabilities at amortized cost are at initial recognition measured at fair value including transaction costs. After initial recognition, they are measured at the effective interest rate method.

Derivatives are classified at FVTPL, unless they are classified as a hedging instrument and the effective part of the hedge is recognized in "Other comprehensive income".

Supply chain financing

The Atlas Copco Group and banks, with close relations to the Group, offer suppliers the opportunity to use a supply chain financing scheme (SCF) which allows them to be paid earlier than the invoice due date. The Group evaluates supplier arrangements against a number of indicators to assess if the payable continues to hold characteristics of a trade payable or should be classified as borrowings; these indicators include whether the payment terms exceed customary payment terms in the industry. These transactions have been recognized as either "Account payables" or "Borrowings" in the Group's balance sheet and as "Change in operating liabilities" or change in "Borrowings" or "Repayment of borrowings" in the statement of cash flows. See note 20 for additional information.

Derivatives and hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item hedged. Changes in fair value for derivatives that do not fulfill the criteria for hedge accounting are recognized as operating or financial transactions based on the purpose of the use of the derivative. Interest payments for interest rate swaps are recognized as interest income or expense, whereas changes in fair value of future payments are presented as gains or losses from financial instruments.

The Group apply hedge accounting. The Group assesses, evaluates, and documents effectiveness both at hedge inception and on an ongoing basis. Hedge effectiveness is assessed by an analysis of the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk must not dominate the value changes that result from that economic relationship. Further, the hedge ratio, as defined in the Group´s risk management strategy, must be the same in the hedging relationship as in the actual hedge performed.

Cash flow hedges: Changes in the fair value of the hedging instrument are recognized in "Other comprehensive income" to the extent that the hedge is effective and the accumulated changes in fair value are recognized as a separate component in equity. Gains or losses relating to the ineffective part of hedges are recognized immediately in profit or loss.

The amount recognized in equity through "Other comprehensive income" is reversed to profit or loss in the same period in which the hedged item affects profit or loss. The Group may use foreign currency forwards to hedge part of the future cash flows from forecasted transactions in foreign currencies. Interest rate swaps can also be used as cash flow hedges for hedging interest on borrowings with variable interest.

Hedge of net investments in foreign operations: The Group hedges a substantial part of net investments in foreign operations. Changes in the value of the hedge instrument relating to the effective portion of the hedge are recognized in "Other comprehensive income" and accumulated in equity. Gains or losses relating to the ineffective portion are recognized immediately in profit or loss. On divestment of foreign operations, the gain or loss accumulated in equity is recycled through profit or loss, increasing, or decreasing the profit or loss on the divestment. The Group uses loans and forward contracts as hedging instruments.

New or amended accounting standards effective as of 2024

The following new or amended IFRS Accounting Standards have been applied by the Group from 2024 and have not had any or only limited impact on the Group.

- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

New or amended accounting standards effective after 2024

The following IFRS Accounting Standards, interpretations, and amendments have been issued but were not effective as of December 31, 2024, and in some cases have not been adopted by the EU. The Group has not applied the new standards, interpretations, or amendments.

- Lack of Exchangeability (Amendments to IAS 21)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements Volume 11 (Amendments to IFRS 7, IFRS 9, IFRS 10 and IAS 7)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- IFRS 18 Presentation and Disclosure in Financial Statements (and related amendments to IAS 7, IAS 8 and IAS 34)

IFRS 18 will replace IAS 1 and introduces new requirements for presentation within the income statement, including specified totals and subtotals. It also requires disclosure of management-defined performance measures (MPMs), additional guidelines regarding aggregation and disaggregation of financial information and limited changes to the statement of cash flow. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with retrospective application required. IFRS 18 will have an impact on the Group, mainly changes to the income statement, the statement of cash flows and notes as well as impact on related key figures and requirements for additional note disclosures. The Group is still assessing the full impact of IFRS 18.

The current assessment of all the other new issued standards, interpretations and amendments effective after 2024, is that they are not expected to have any or only limit impact on the Group.

KEY SOURCES OF UNCERTAINTY IN ESTIMATES AND JUDGEMENTS

The preparation of financial reports requires management's judgement and the use of estimates and assumptions that affects the amounts reported in the consolidated financial statements. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the prevailing circumstances. Actual result may differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis.

The estimates and the judgements which, in the opinion of management, are significant to the underlying amounts included in the financial reports and for which there is a risk that future events or new information could entail a change in those estimates or judgements are as follows. None of these key sources of uncertainty in estimates or judgements, are expected to pose a significant risk of material adjustment to carrying amounts within the next financial year.

Judgements in applying accounting policies

Revenue recognition

Management's judgement is used, for instance, when assessing:

- the degree of progress towards satisfaction of the performance obligations and the estimated total costs for such contracts when revenue is recognized over time, to determine the revenue and cost to be recognized in the current period, and whether any losses need to be recognized,
- if the control has been transferred to the customer (for example the Group has a present right to payment for the good, the customer has legal title of the good, the good has been delivered to the customer and/or the customer has the significant risks and rewards of the ownership of the good), to determine if revenue and cost should be recognized in the current period,
- the transaction price of each performance obligation when a contract includes more than one performance obligation, to determine the revenue and cost to be recognized in the current period,
- certain contracts which include a right of return and/or volume rebates that give rise to variable consideration, variable consideration is assessed to identify possible constrains, and
- the customer credit risk (i.e. the risk that the customer will not meet the payment obligation), to determine and justify the revenue recognized in the current period.

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1. Information of material accounting principles, key sources of uncertainty in estimates and judgements, continued

Leases
The IBR is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available. The Group estimates the IBR by using market interest rates and adjusting with entity specific estimates such as currency and country risk. The Group has several lease contracts that include extension options. The Group applies judgement in evaluating the lease term, it considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. For leases of premises, the following factors are normally the most relevant:

- if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend.
- otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The renewal periods for leases of offices and warehouse premises with extension options exceeding 10 to 15 years are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, renewal options for leases of motor vehicles are not part of the lease term because the Group typically leases motor vehicles for not more than three to five years and, hence, is not exercising any renewal options.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew. Refer to note 21 for information on potential future rental payments relating to extension options that are not included in the lease term.

Sources of estimation uncertainty

Property, plant and equipment
Natural hazards can pose a significant risk to plants and equipment, resulting in large losses. These risks are included in Atlas Copco Group risk universe and discussed during the onsite risk assessments, as well as pointed out during new project reviews. The Group's loss prevention program created a baseline for natural hazards which supports the decision-making process for high exposed sites, helping prioritize large investments. For instance, based on the conducted analyses, five recommendations were proposed to mitigate risks of flooding and lightning. None of these currently require significant investment. As it is anticipated that climate change will exacerbate natural hazards, the focus on understanding both current and future vulnerabilities of the sites, and investments needed to reduce them, will increase during the next years. However investments based only on climate considerations during the next years in the normal course of business are not expected to accelerate depreciation or lead to any significant impairment.

Impairment of goodwill, other intangible assets and other long-lived assets
Goodwill and certain trademarks are not amortized but are subject to annual tests for impairment. Other intangible assets and other long-lived assets are amortized or depreciated based on management's estimates of the period that the assets will generate revenue but are also reviewed regularly for indications of impairment.

The impairment tests are based on a review of the recoverable amount, which is estimated based on management's projections of future cash flows using internal business plans and forecasts. The Group is well positioned to avoid serious consequences from climate risks. The Group works continuously with, for example, product development of energy-efficient products. The Group's customers are found in a variety of different businesses/segments where no one is particularly dominant. This, as well as other risk-reducing activities, is part of the ongoing business operations and is thus included in the basis for the impairment tests.

Asset impairment requires management's judgement, particularly in assessing:

- whether an event has occurred that may affect asset values,
- whether the carrying value of an asset can be supported by the net present value of future cash flows, which are estimated based upon the continued use of the asset in the business,
- the appropriate assumptions to be applied in preparing cash flow projections, and
- the discounting of these cash flows.

Changing the assumptions selected by management to determine the level, if any, of impairment could affect the financial position and results of operation. See note 11.

Trade and financial receivables
The expected credit losses for trade receivables and contract assets are an assessment of specific loss provisions corresponding to individually significant exposures as well as historical loss rates in combination with forward looking considerations. The expected credit losses for lease receivables and financial receivables are an assessment that reflects an unbiased, probability-weighted outcome based on reasonable and supportable forecasts.

Management's judgement considers rapidly changing market conditions. An overlay control is performed to ensure that an adequate loss allowance is recognized. Additional information is included in section "Credit risk" in note 26.

Pension and other post-employment benefit valuation assumptions
Pensions and other post-employment obligations are dependent on the assumptions established by management and used by actuaries in calculating such amounts. The key assumptions include discount rates, inflation, future salary increases, mortality rates, and healthcare-cost trend rates. The actuarial assumptions are reviewed on an annual basis and are changed when it is deemed appropriate.

See note 22 for additional information regarding assumptions used in the calculation of pension and post-employment obligations.

Legal proceedings and tax claims
Atlas Copco Group reviews outstanding legal cases regularly in order to assess the need for provisions in the financial statements. These reviews consider the factors of the specific case by internal legal counsel and through the use of outside legal counsel and advisors when necessary. The financial statements may be affected to the extent that management's assessments of the factors considered are not consistent with the actual outcome.

Additionally, the legal entities of the Group are frequently subject to audits by tax authorities in accordance with standard practice in the countries where the Group operates. In instances where the tax authorities have a different view on how to interpret the tax legislation, the Group makes estimates as to the likelihood of the outcome of the dispute, as well as estimates of potential claims. The actual results may differ from these estimates.

Warranty provisions
Provisions for product warranties should cover future commitments for the sales volumes already realized. Warranty provisions are complex accounting estimates due to the variety of variables which are included in the calculations. The calculation methods are based on the type of products sold and historical data for level of repairs and replacements. The underlying estimates for calculating the provision are reviewed at least quarterly as well as when new products are introduced or when other changes occur which may affect the calculation. See note 24.

Acquisitions
Fair value is commonly based on valuation models. The valuation methods rely on various assumptions, such as estimated future cash flows, remaining economic useful life etc. The determination of the fair value requires the Group to apply assumptions and estimates. These can vary from the actual outcomes. See note 2.

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2. Acquisitions

The following summarizes the acquisitions during 2024 and 2023:

Acquisition date		Country	Business area	Revenues [1]	Number of employees [1]
2024 Dec. 3	Metalplan Equipamentos LTDA, ("Metalplan")	Brazil	Compressor Technique	120	90
2024 Nov. 18	VisionTools Bildanalyse Systeme GmbH ("VisionTools")	Germany	Industrial Technique	160	80
2024 Nov. 8	ESA Service S.r.l, ("ESA Service")	Italy	Vacuum Technique	118	40
2024 Nov. 6	SCS Makina A.Ş. ("SCS")	Türkiye	Compressor Technique	40	11
2024 Nov. 5	Pennine Pneumatic Services Limited ("PPS")	United Kingdom	Compressor Technique	[2]	84
2024 Nov. 4	Air Way Automation Ltd ("Air Way")	U.S.A.	Industrial Technique	370	98
2024 Oct. 3	Perslucht Wilda B.V. ("Perslucht Wilda")	Netherlands	Power Technique	[2]	9
2024 Oct. 2	Kinder-Janes Engineers Ltd ("Kinder-Janes")	United Kingdom	Power Technique	164	20
2024 Oct. 2	Pomac BV ("Pomac")	Netherlands	Power Technique	95	23
2024 Oct. 2	Arlógica Máquinas e Equipamentos, Lda ("Arlógica")	Portugal	Compressor Technique	[2]	9
2024 Oct. 2	Easy Filtration SRL ("Easy Filtration")	Italy	Compressor Technique	[2]	9
2024 Sep. 3	Integrated Pump Rental ("IPR")	South Africa	Power Technique	57	18
2024 Sep. 3	Anhui Nuoyi Technologies Co. Ltd., ("NOY")	China	Vacuum Technique	178	78
2024 Sep. 3	Generator Rental Services Limited ("GRS")	New Zealand	Power Technique	263	58
2024 Aug. 2	AVT Services Pty Limited, ("AVT Services")	Australia	Vacuum Technique	[2]	15
2024 Aug. 2	Danmil A/S ("Danmil")	Denmark	Compressor Technique	126	26
2024 Jul. 29	Compressed Air Technologies, Inc.	U.S.A.	Compressor Technique	[2]	53
2024 Jul. 23	Kingsdown Compressed Air Systems Limited ("Kingsdown")	United Kingdom	Compressor Technique	31	13
2024 Jul. 4	Mont-Tech Ltd. ("Mont-Tech")	Czech republic	Industrial Technique	40	27
2024 Jul. 2	Swed-Weld AB ("Swed-Weld")	Sweden	Industrial Technique	30	10
2024 Jul .2	Empresa Comercial Vele Leiva EMCOVELE, S.A. ("Emcovele S.A.")	Ecuador	Compressor Technique	[2]	49
2024 Jun. 14	AE Industrial Ltd. ("AE Industrial")	United Kingdom	Compressor Technique	[2]	40
2024 Jun. 5	Baraghini Compressori Srl ("Baraghini")	Italy	Compressor Technique	31	14
2024 May 7	Montajes Electromecánicos e Ingeniería, S.A. de C.V. ("MEISA")	Mexico	Vacuum Technique	[2]	52
2024 May 3	Tecturbo	Brazil	Compressor Technique	60	51
2024 Apr. 4	Delta Temp	Belgium etc.	Power Technique	100	20
2024 Apr. 2	Presys Co., Ltd.	South Korea	Vacuum Technique	275	134
2024 Mar. 5	Zahroof Valves Inc.	U.S.A.	Compressor Technique	130	44
2024 Mar. 4	Pacific Sales & Service, Inc. (Pacific Air Compressors)	U.S.A.	Compressor Technique	[2]	15
2024 Mar. 4	Druckluft-Technik-Nord GmbH	Germany	Compressor Technique	[2]	18
2024 Feb. 7	Ace Air (NI) Ltd.	United Kingdom	Compressor Technique	[2]	8
2024 Jan. 9	Hycomp Inc.	U.S.A.	Compressor Technique	85	37
2024 Jan. 3	KRACHT GmbH (Kracht)	Germany	Power Technique	766	440
2023 Dec. 5	Sykes Group Pty Ltd (Sykes)	Australia	Power Technique	455	123
2023 Nov. 14	Hamamcıoğlu Makina (HAMAK)	Türkiye	Compressor Technique	75	23
2023 Oct. 16	ACJ, s.r.o.	Slovakia	Compressor Technique	[2]	14

[1] Annual revenues and number of employees at the time of acquisition.

[2] Former distributor of Atlas Copco Group products. No revenues are disclosed for former Atlas Copco Group distributors.

All acquisitions were made through the purchase of 100% of shares and voting rights or through the purchase of the net assets of the acquired operations, with exception of the acquisition of Presys Co., Ltd (96.9% of shares acquired). Non-controlling interest has been valued at the proportionate share of the acquired net assets. The remaining shares of Presys Co., Ltd were acquired later during the year. The Group received control over the operations upon the date of closing the acquisition. No equity instruments have been issued in connection with the acquisitions. All acquisitions have been accounted for using the acquisition method.

The amounts presented in the following tables detail the recognized amounts aggregated by business area, as the relative amounts of the individual acquisitions are not considered significant. The fair values related to intangible assets other than goodwill are amortized over 5–15 years. For more information about the valuation of contingent consideration, see note 26. The Group is in the process of reviewing the final values for certain of the recently acquired businesses. No adjustments are expected to be material. Adjustments related to the acquisitions made in 2023 are included in the following tables.

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2. **Acquisitions,** continued

The following summarizes the acquisitions during 2024 and 2023, continued

Acquisition date		Country	Business area	Revenues [1]	Number of employees [1]
2023 Oct. 11	William G Frank Medical Gas Testing and Consulting, LLC & Medical Gas Credentialing LLC	U.S.A.	Compressor Technique	20	8
2023 Aug. 3	Climorent	Spain	Power Technique	21	15
2023 Jul. 17	ZEUS Co.,Ltd	South Korea	Vacuum Technique	[2]	59
2023 Jul. 4	Extend3D GmbH	Germany	Industrial Technique	32	16
2023 Jun. 1	National Pump & Energy	Australia	Power Technique	1 400	420
2023 May 23	Maziak Compressor Services Ltd.	United Kingdom	Compressor Technique	87	40
2023 May 4	C.P. Service SRL	Italy	Compressor Technique	60	13
2023 May 2	James E. Watson & Co.	U.S.A.	Vacuum Technique	[2]	7
2023 Apr. 5	Shandong Bozhong Vacuum Technology Co.,Ltd	China	Vacuum Technique	120	116
2023 Apr. 4	Asven S.R.L.	Argentina	Compressor Technique	[2]	10
2023 Apr. 4	Trillium US Inc.	U.S.A.	Vacuum Technique	270	140
2023 Mar. 7	FS Medical Technology Business	U.S.A.	Compressor Technique	71	32
2023 Feb. 2	CVS Engineering GmbH	Germany	Vacuum Technique	200	76
2023 Jan. 17	MedCore Services Inc.	Canada	Compressor Technique	10	7

[1] Annual revenues and number of employees at the time of acquisition.
[2] Former distributor of Atlas Copco Group products. No revenues are disclosed for former Atlas Copco Group distributors.

Compressor Technique	Recognized values	
	2024	**2023**
Intangible assets	739	322
Property, plant and equipment [1]	119	19
Other assets	436	91
Cash and cash equivalents	90	44
Interest-bearing liabilities and borrowings	–110	–14
Other liabilities and provisions	–410	–169
Net identifiable assets	**864**	**293**
Goodwill	664	159
Total consideration	**1 528**	**452**
Deferred consideration	10	50
Cash and cash equivalents acquired	–90	–44
Net cash outflow	**1 448**	**458**

[1] Includes right-of-use assets.

In January, the Compressor Technique business area acquired the technology business of Hycomp Inc., based in USA. The company designs, produces, sells and services specialized high-pressure oil-free compressors and boosters for a variety of industries. Hycomp has extensive know-how in high-pressure oil-free compressors, and the acquired technology complements Atlas Copco´s existing technologies, allowing Atlas Copco to extend its current product range. Intangible assets of 26 were recorded on the purchase.

In March, Zahroof Valves Inc., a USA reciprocating compression valve company, was acquired. The company designs, services and assembles reciprocating compression valve technology. The valve technology provided by the company is today mainly used to reduce emissions and increase energy efficiency for customers in the oil and gas and petrochemical industry by avoiding unplanned interruptions. Going forward, the technology can be used in many different gas compression applications. Atlas Copco also sees potential to use this technology to further develop Atlas Copco´s product and service offering in the growing hydrogen and carbon capture segments. Intangible assets of 28 and goodwill of 38 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In May, Tecturbo, a Brazilian service company and manufacturer of parts for centrifugal compressors, was acquired. Tecturbo has a strong reputation as a quality service provider and this acquisition will allow Atlas Copco to further strengthen its offering and increase Atlas Copco´s presence in South America. Intangible assets of 30 and goodwill of 32 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In August, Danmil A/S, a Danish process filtration company, was acquired. The company designs, manufactures, and distributes high-end process filtration solutions for the pharma as well as the food and beverage sector. With this acquisition Atlas Copco is expanding its liquid and gas filter product range. Intangible assets of 178 and goodwill of 254 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In December, Metalplan Equipamentos LTDA, ("Metalplan"), a Brazilian company manufacturing screw compressors, air treatment equipment, chillers, gas generation and renewable energy products, as well as providing

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2. **Acquisitions,** continued

service in the compressed air market, was acquired. Main customers can be found in research and development, design, production, sales, and service. By acquiring Metalplan, Atlas Copco Group will grow its presence in Brazil and Latin America. Metalplan's products and services stretch across many industries and segments which will be beneficial for Atlas Copco´s customers. Intangible assets of 60 and goodwill of 121 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In addition, the business area acquired twelve distributors during the year. AE Industrial Ltd., Kingsdown Compressed Air Systems Limited and Pennine Pneumatic Services Limited are based in the United Kingdom. Baraghini Compressori Srl and Easy Filtration SRL are based in Italy. In the USA, Compressed Air Technologies, Inc. and all operating assets of Pacific Sales & Service, Inc. were acquired. Finally, Ace Air (NI) Ltd. based in Northen Ireland, Ecuadorian Empresa Comercial Vele Leiva EMCOVELE, S.A., Portuguese Arlógica Máquinas e Equipamentos, Lda, SCS Makina A.Ş. based in Türkiye and all operating assets of Druckluft-Technik-Nord GmbH based in Germany were acquired. The acquisitions are expected to increase Atlas Copco's presence in their respective markets. Intangible assets of 396 and goodwill of 219 were recorded on the purchase. Approximately half of the goodwill is tax deductible for tax purposes.

Vacuum Technique	Recognized values	
	2024	**2023**
Intangible assets	511	420
Property, plant and equipment [1]	212	175
Other assets	328	263
Cash and cash equivalents	386	–
Interest-bearing liabilities and borrowings	–207	–195
Other liabilities and provisions	–226	–171
Net identifiable assets	**1 004**	**492**
Non-controlling interests	–11	–
Goodwill	605	466
Total consideration	**1 598**	**958**
Deferred consideration	–206	–17
Cash and cash equivalents acquired	–386	–
Net cash outflow	**1 006**	**941**

[1] Includes right-of-use assets.

In April, the Vacuum Technique business area completed the acquisition of Presys Co., Ltd ("Presys"), a Korean semiconductor valve manufacturer. Presys products are well known within the Korean semiconductor market. They manufacture transfer and isolation vacuum valves that are highly complementary to Atlas Copco's current semiconductor product portfolio. Intangible assets of 119 and goodwill of 176 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In September, Anhui Nuoyi Technologies Co. Ltd., ("NOY"), a Chinese leak detector manufacturer, was acquired. NOY manufactures helium leak detectors for use mainly in the Chinese market. NOY was founded in 2016, exhibiting rapid growth by initially serving the EV battery market, while diversifying into other markets in recent years. Through this acquisition, Atlas Copco will strengthen its core in-house helium leak detector technology. Intangible assets of 248 and goodwill of 348 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In addition, the business area acquired three distributors during the year; the vacuum related assets and the brand of Mexican Montajes Electromecánicos e Ingeniería, S.A. de C.V., AVT Services Pty Limited, based in Australia and ESA Service S.r.l based in Italy. The acquisitions are expected to increase Atlas Copco's presence in their respective markets. In total, intangible assets of 151 and goodwill of 77 were recorded on the purchases. The goodwill is not deductible for tax purposes.

Total consideration includes contingent consideration with a fair value of 66 related to the acquisitions of NOY, ESA Service and MEISA. For NOY, contingent consideration to be paid is dependent on revenues in the first year after the acquisition. The fair value has been calculated based on expected revenues during this time period. For ESA Service, contingent consideration to be paid is dependent on revenues and adjusted EBITDA in the first year after the acquisition. The fair value has been calculated based on the assumption that the maximum amount will be paid. For MEISA, contingent consideration to be paid is dependent on revenues in the first year after the acquisition. The fair value has been calculated based on the assumption that the maximum amount will be paid.

Industrial Technique	Recognized values	
	2024	**2023**
Intangible assets	459	34
Property, plant and equipment [1]	163	1
Other assets	386	15
Cash and cash equivalents	160	2
Interest-bearing liabilities and borrowings	–108	–21
Other liabilities and provisions	–212	–22
Net identifiable assets	**848**	**9**
Goodwill	518	71
Total consideration	**1 366**	**80**
Deferred consideration	–184	23
Cash and cash equivalents acquired	–160	–2
Net cash outflow	**1 022**	**101**

[1] Includes right-of-use assets.

In July, the Industrial Technique business area acquired Swed-Weld AB ("Swed-Weld"), a Swedish provider of smart automated screw and nut feeding systems with focus on the automotive industry. Swed-Weld's products are designed with a special focus on high productivity in the automated assembly process and are specifically used by the automotive industry. This acquisition will complement Atlas Copco's current product portfolio with an addition of nut and screw feeding solutions, which will strengthen Industrial Technique's offering in the area of automation. Intangible assets of 25 and goodwill of 23 were recorded on the purchase. The goodwill is not deductible for tax purposes.

Additionally in July, the business of Mont-Tech Ltd. ("Mont-Tech"), a Czech engineering company offering customized engineering solutions for assembly automation, was acquired. With this acquisition Atlas Copco will further strengthen its competence and know-how of assembly automation and better serve its customers in this area and geographic region. Intangible assets of 19 were recorded on the purchase.

In November, the business of Air Way Automation Ltd ("Air Way"), a USA supplier of automated bolt feeding solutions to the automative and general industries, was acquired. This acquisition will further strengthen Industrial Technique's offering in the area of automation. Intangible assets of 293 and goodwill of 310 were recorded on the purchase. The goodwill is deductible for tax purposes.

Additionally in November, VisionTools Bildanalyse Systeme GmbH ("VisionTools"), a German company that develops and sells integrated solutions for quality control in assembly lines, was acquired. VisionTools develops and sells smart, integrated quality control solutions primarily aimed at the automotive industry. VisionTools installs and adapts systems for different customer needs. With this acquisition, Atlas Copco further creates value for its customers by enhancing our smart integrated assembly offering to the automotive industry. Intangible assets of 122 and goodwill of 185 were recorded on the purchase. The goodwill its not deductible for tax purposes.

Total consideration includes contingent consideration with a fair value of 60 related to the acquisitions of Air Way and Swed-Weld. For Air Way, contingent consideration to be paid is dependent on revenues in the first year after the acquisition. The fair value has been calculated based on expected revenues during this time period. For Swed-Weld, contingent consideration to be paid is dependent on revenues in the first year after the acquisition. The fair value has been calculated based on the assumption that the maximum amount will be paid.

Power Technique	Recognized values	
	2024	**2023**
Intangible assets	2 014	975
Property, plant and equipment [1]	829	1 139
Other assets	574	553
Cash and cash equivalents	185	155
Interest-bearing liabilities and borrowings	–475	–818
Other liabilities and provisions	–864	–575
Net identifiable assets	**2 263**	**1 429**
Goodwill	1 875	1 553
Total consideration	**4 138**	**2 982**
Deferred consideration	–5	–13
Cash and cash equivalents acquired	–185	–155
Net cash outflow	**3 948**	**2 814**

[1] Includes right-of-use assets.

In January, the Power Technique business area acquired KRACHT GmbH ("Kracht"), a manufacturer of high-quality technologies including external gear pumps, fluid measurement, valves, hydraulic drives, and dosing systems. Kracht is based in Germany and has subsidiaries in USA, China and Hungary. Atlas Copco is expanding its portfolio within positive displacement pumps with additional technologies. The industrial pump segment has been identified as a strategic fit for the Group. This acquisition will be a further step for Atlas Copco within this segment, which plays a crucial role within many

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2. **Acquisitions,** continued

industries. Intangible assets of 1 157 and goodwill of 766 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In April, Delta Temp, a Belgian specialty rental company, was acquired. The company provides specialty rental solutions for industrial cooling applications and has a presence in Belgium, the Netherlands and Germany. Delta Temp owns a fleet of chillers and related accessories and designs and delivers total customized rental solutions for industrial cooling applications. Main customer segments include general manufacturing, pharmaceutical, food & beverage, chemical, and steel production among others. Delta Temp's technical competence and application expertise, combined with the Specialty Rental division's existing large industrial customer base, will enable Atlas Copco to accelerate the growth of our temperature control business in Europe. Intangible assets of 197 and goodwill of 280 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In September, the acquisition of Generator Rental Services Limited ("GRS"), a company providing specialty power rental solutions, was completed. The company is based in New Zealand and provides specialty power and temperature control equipment. The main customer groups can be found within power utility, general industry, and civil construction. The specialty power rental market is a highly technical and regulated market driven by the need for more and more complicated technologies to support the increasing need for electrification in society. With this acquisition of GRS, Atlas Copco both enhances its expertise in this market and establishes a growth platform and competence center for the whole Oceania region. Intangible assets of 319 and goodwill of 453 were recorded on the purchase. The goodwill is not deductible for tax purposes.

Additionally in September, the acquisition of Integrated Pump Rental ("IPR"), a specialty rental provider of dewatering solutions in South Africa, was completed. The company provides fully outsourced dewatering solutions through rental of pump and ancillary equipment. Main customers are found in mining, quarrying, construction and wastewater. The acquisition of IPR will give Atlas Copco a solid footprint for specialty dewatering in Sub-Saharan Africa, a critical mining market. IPR will provide Atlas Copco with a competence hub and operational capability in the region. Intangible assets of 41 and goodwill of 65 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In October, Pomac BV ("Pomac"), a Dutch company which develops and manufactures hygienic pumps, was acquired. Pomac develops and manufactures a complete product range of hygienic pumps under the brand name Pomac Pumps. The pumps are used worldwide in various industries, mainly in the food & beverage industry. Through this acquisition, Atlas Copco further expands its product portfolio within the industrial pump market with additional technology and a wide product portfolio. Intangible assets of 187 and goodwill of 264 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In addition, the business area acquired two distributors during the year; Kinder-Janes Engineers Ltd based in UK and Perslucht Wilda B.V. based in Netherlands. The acquisitions are expected to increase Atlas Copco's presence in their respective markets. In total, intangible assets of 113 and goodwill of 46 were recorded on the purchases. The goodwill is not deductible for tax purposes.

Total fair value of acquired assets and liabilities	Group recognized values	
	2024	**2023**
Intangible assets	3 723	1 751
Property, plant and equipment [1]	1 323	1 334
Other non-current assets	4	4
Inventories	751	424
Trade receivables [2]	760	467
Other current assets	209	27
Cash and cash equivalents	821	201
Interest-bearing liabilities and borrowings	–900	–1 048
Other liabilities and provisions	–805	–581
Deferred tax assets/liabilities, net	–907	–356
Net identifiable assets	**4 979**	**2 223**
Non-controlling interests	–11	–
Goodwill	3 662	2 249
Total consideration	**8 630**	**4 472**
Deferred consideration	–385	43
Cash and cash equivalents acquired	–821	–201
Net cash outflow	**7 424**	**4 314**

[1] Includes right-of-use assets.
[2] The gross amount is 786 (477) of which 26 (10) is expected to be uncollectible.

The goodwill recognized on acquisitions is primarily related to assets that cannot be fully recognized on the balance sheet. These include, but are not limited to, future growth, market presence, additional customers, technology progress, personnel etc. Please also see information on the previous pages. The total consideration for all acquisitions was 8 630 (4 472). Deferred consideration includes both deferred consideration not yet paid for acquisitions made in 2024 and settlement of deferred consideration for acquisitions made in prior years. For all acquisitions, the net cash outflow totaled 7 424 (4 314) after deducting cash and cash equivalents acquired of 821 (201).

Acquisition-related costs amounted to 76 (48) and were included in the "Administrative expenses". Costs related to acquisitions finalized in 2024 were included in the income statements for 2024 and 2023.

Contribution from businesses acquired in 2024 and 2023 by business area	Compressor Technique		Vacuum Technique		Industrial Technique		Power Technique		Group	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Contribution from date of control										
Revenues	552	206	323	695	52	15	998	971	1 925	1 887
Operating profit	–37	–4	14	9	–38	–4	22	176	–39	177
Profit for the year									–40	95
Contribution if the acquisition had occurred on Jan. 1										
Revenues	1 193	379	610	899	523	30	1 558	2 036	3 884	3 344
Operating profit	–20	–7	56	12	87	–9	194	311	317	307
Profit for the year									219	213

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3. Segment information

2024	Compressor Technique	Vacuum Technique	Industrial Technique	Power Technique	Common Group functions	Eliminations	Group
Revenues from external customers	77 433	40 419	29 456	29 463	–	–	176 771
Inter-segment revenues	826	22	66	159	–	*–1 073*	–
Total revenues	**78 259**	**40 441**	**29 522**	**29 622**	**–**	**–1 073**	**176 771**
– of which equipment	*57%*	*74%*	*73%*	*56%*	–	–	*63%*
– of which service [1]	*43%*	*26%*	*27%*	*44%*	–	–	*37%*
Operating profit	**19 716**	**8 541**	**6 066**	**5 488**	**–1 596**	**–49**	**38 166**
– of which share of profit in associated companies and joint ventures	*–*	*49*	*–4*	*–*	*–*	*–*	*45*
Net financial items							–366
Income tax expense							–8 006
Profit for the year							**29 794**
Non-cash expenses							
Depreciation/amortization	2 352	2 210	1 583	2 272	308	–35	8 690
Impairment	3	77	31	4	8	–	123
Other non-cash expenses	–70	57	160	215	–326	–	36
Segment assets	**51 461**	**52 614**	**37 109**	**39 866**	**3 545**	**–1 410**	**183 185**
– of which goodwill	*8 149*	*16 380*	*15 990*	*11 287*	*–*	*–*	*51 806*
Investments in associated companies and joint ventures	–	706	134	–	–	–	840
Unallocated assets							24 513
Total assets	**51 461**	**53 320**	**37 243**	**39 866**	**3 545**	**–1 410**	**208 538**
Segment liabilities	**27 317**	**9 067**	**7 063**	**6 200**	**3 687**	**–1 197**	**52 137**
Unallocated liabilities							42 641
Total liabilities	**27 317**	**9 067**	**7 063**	**6 200**	**3 687**	**–1 197**	**94 778**
Capital expenditures							
Property, plant and equipment	2 865	1 673	1 210	3 467	496	–95	9 616
– of which right-of-use assets	*1 105*	*315*	*606*	*527*	*299*	*–*	*2 852*
Intangible assets	214	587	522	309	156	–	1 788
Total capital expenditures	**3 079**	**2 260**	**1 732**	**3 776**	**652**	**–95**	**11 404**
Goodwill acquired	664	605	518	1 875	–	–	3 662

[1] Including spare parts, consumables, accessories and rental.

2024	Compressor Technique	Vacuum Technique	Industrial Technique	Power Technique	Common Group functions	Eliminations	Group
Items affecting comparability in Operating profit	–	–4 [1]	–174 [2]	–	–397 [3]	–	–575

[1] Refers to restructuring costs of total –226 and +222 related to a representations and warranties insurance claim.
[2] Refers to restructuring costs of total –174.
[3] Refers to a change in provision for share-related long-term incentive programs –268, +65 for a partial release of a provision for a commercial dispute recorded in 2023 and –194 attributed to costs related to a management buyout in Russia in the form of an asset transfer.

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3. Segment information, continued

2023	Compressor Technique	Vacuum Technique	Industrial Technique	Power Technique	Common Group functions	Eliminations	Group
Revenues from external customers	74 787	42 781	28 375	26 721	–	–	172 664
Inter-segment revenues	765	31	78	178	–	–1 052	–
Total revenues	**75 552**	**42 812**	**28 453**	**26 899**	**–**	**–1 052**	**172 664**
– of which equipment	*59%*	*77%*	*73%*	*57%*	–	–	*65%*
– of which service [1]	*41%*	*23%*	*27%*	*43%*	–	–	*35%*
Operating profit	**18 488**	**9 607**	**6 183**	**5 191**	**–2 362**	**–16**	**37 091**
– of which share of profit in associated companies and joint ventures	*–*	*29*	*12*	*–*	*–*	*–*	*41*
Net financial items							–649
Income tax expense							–8 390
Profit for the year							**28 052**
Non-cash expenses							
Depreciation/amortization	2 172	2 051	1 507	1 722	273	–34	7 691
Impairment	18	30	12	28	–	–	88
Other non-cash expenses	35	20	117	–69	821	–	924
Segment assets	**47 984**	**48 726**	**34 768**	**31 414**	**3 269**	**–1 089**	**165 072**
– of which goodwill	*7 078*	*14 542*	*14 713*	*9 028*	–	–	*45 361*
Investments in associated companies and joint ventures	–	719	135	–	–	–	854
Unallocated assets							16 758
Total assets	**47 984**	**49 445**	**34 903**	**31 414**	**3 269**	**–1 089**	**182 684**
Segment liabilities	**25 937**	**8 241**	**6 781**	**6 012**	**3 589**	**–952**	**49 608**
Unallocated liabilities							41 576
Total liabilities	**25 937**	**8 241**	**6 781**	**6 012**	**3 589**	**–952**	**91 184**
Capital expenditures							
Property, plant and equipment	2 424	2 380	970	2 436	399	–57	8 552
– of which right-of-use assets	*1 333*	*638*	*232*	*347*	*199*	–	*2 749*
Intangible assets	183	457	527	178	119	–	1 464
Total capital expenditures	**2 607**	**2 837**	**1 497**	**2 614**	**518**	**–57**	**10 016**
Goodwill acquired	159	466	71	1 553	–	–	2 249

[1] Including spare parts, consumables, accessories and rental.

2023	Compressor Technique	Vacuum Technique	Industrial Technique	Power Technique	Common Group functions	Eliminations	Group
Items affecting comparability in Operating profit	–	–	–	–	–1 126 [1]	–	–1 126 [1]

[1] Refers to a change in provision for share-related long-term incentive programs and a provision for a commercial dispute originating from an agreement dating back to before the current Group structure and the split of the Group in 2018.

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3. Segment information, continued

The Group is organized in separate and focused but still integrated business areas, each operating through divisions. The business areas offer different products and services to different customer groups. They are also the basis for management and internal reporting and are regularly reviewed by the Group's President and CEO, the chief operating decision maker. The chief operating decision maker uses more than one measure of the operating segments' profit or loss to assess performance and allocate resources. The operating profit of the business areas is the primary profit measure used by the chief operating decision maker, and is reconciled to the consolidated operating profit in the tables on the previous pages. Items affecting comparability are included in a separate table since the chief operating decision maker reviews also these as part of allocating resources to the different business areas. All business areas are managed on a worldwide basis and their role is to develop, implement and follow up the objectives and strategies within their respective business.

See pages 19–31 for a description of the business areas.

Common group functions, i.e. functions which serve all business areas or the Group as a whole, are not considered a segment.

The accounting principles for the segments are the same as those described in note 1. Atlas Copco Group's inter-segment pricing is determined on a commercial basis.

Segment assets are comprised of property, plant and equipment, right-of-use assets, intangible assets, other non-current receivables, inventories, and current receivables.

Segment liabilities include the sum of non-interest-bearing liabilities such as operating liabilities, other provisions, and other non-current liabilities.

Capital expenditure includes property, plant and equipment, right-of-use assets, and intangible assets, but excludes the effect of goodwill, intangible assets and property, plant and equipment through acquisitions.

Geographical information

The revenues presented are based on the location of the customers while non-current assets are based on the geographical location of the assets. These assets include non-current assets other than financial instruments, investments in associated companies and joint ventures, deferred tax assets, and post-employment benefit assets.

By geographic area/country		Revenues		Non-current assets	
		2024	2023	2024	2023
North America	U.S.A.	41 036	39 562	19 673	16 255
	Other countries	6 924	6 458	2 476	2 376
		47 960	**46 020**	**22 149**	**18 631**
South America	Brazil	4 944	4 570	1 143	899
	Other countries	2 656	2 437	331	256
		7 600	**7 007**	**1 474**	**1 155**
Europe	Belgium	1 636	1 636	5 119	3 539
	France	5 373	5 208	756	701
	Germany	9 957	10 702	34 933	31 319
	Italy	4 247	4 445	2 602	2 360
	Sweden	2 356	2 288	1 855	1 771
	United Kingdom	4 675	4 334	16 309	14 837
	Other countries	20 726	19 993	5 962	4 481
		48 970	**48 606**	**67 536**	**59 008**
Africa/Middle East	South Africa	908	946	375	204
	Other countries	7 838	7 087	660	466
		8 746	**8 033**	**1 035**	**670**
Asia/Oceania	Australia	3 676	2 859	3 768	3 655
	Greater China	33 430	35 810	5 412	3 905
	India	6 874	5 976	697	525
	Japan	3 173	3 321	701	634
	South Korea	8 268	7 937	3 591	3 164
	Other countries	8 074	7 095	1 569	620
		63 495	**62 998**	**15 738**	**12 503**
Total		**176 771**	**172 664**	**107 932**	**91 967**

Geographic distribution 2024	Compressor Technique, %		Vacuum Technique, %		Industrial Technique, %		Power Technique, %		Group, %	
	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues	Orders received	Revenues
North America	25	26	23	26	34	34	25	27	26	27
South America	6	6	–	–	3	3	7	7	4	4
Europe	28	30	15	15	34	35	32	31	27	28
Africa/Middle East	10	7	1	1	2	1	10	8	7	5
Asia/Oceania	31	31	61	58	27	27	26	27	36	36
2023										
North America	26	25	26	25	32	32	29	28	27	27
South America	6	6	–	–	3	3	7	7	4	4
Europe	29	31	15	16	34	34	30	34	27	28
Africa/Middle East	6	7	1	1	1	1	8	9	5	5
Asia/Oceania	33	31	58	58	30	30	26	22	37	36

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3. Segment information, continued

Quarterly data, Revenues by business area

Revenues	2024				2023			
	1	2	3	4	1	2	3	4
Compressor Technique	18 710	20 136	19 031	20 382	17 632	18 600	19 493	19 827
– of which external	*18 507*	*19 905*	*18 819*	*20 202*	*17 466*	*18 407*	*19 300*	*19 614*
– of which internal	*203*	*231*	*212*	*180*	*166*	*193*	*193*	*213*
Vacuum Technique	9 719	10 089	10 444	10 189	9 989	10 911	10 802	11 110
– of which external	*9 711*	*10 089*	*10 439*	*10 180*	*9 979*	*10 906*	*10 795*	*11 101*
– of which internal	*8*	*–*	*5*	*9*	*10*	*5*	*7*	*9*
Industrial Technique	7 514	7 471	6 832	7 705	6 492	7 280	7 306	7 375
– of which external	*7 492*	*7 460*	*6 821*	*7 683*	*6 469*	*7 260*	*7 290*	*7 356*
– of which internal	*22*	*11*	*11*	*22*	*23*	*20*	*16*	*19*
Power Technique	7 202	7 391	7 072	7 957	5 996	6 828	7 142	6 933
– of which external	*7 165*	*7 349*	*7 026*	*7 923*	*5 947*	*6 791*	*7 100*	*6 883*
– of which internal	*37*	*42*	*46*	*34*	*49*	*37*	*42*	*50*
Common Group functions/eliminations	–270	–284	–274	–245	–248	–255	–258	–291
Total	**42 875**	**44 803**	**43 105**	**45 988**	**39 861**	**43 364**	**44 485**	**44 954**

Quarterly data, Operating profit by business area

Operating profit	2024				2023			
	1	2	3	4	1	2	3	4
Compressor Technique	4 642	4 990	4 974	5 110	4 245	4 472	4 856	4 915
in % of revenues	*24.8%*	*24.8%*	*26.1%*	*25.1%*	*24.1%*	*24.0%*	*24.9%*	*24.8%*
Vacuum Technique	2 119	2 027	2 014	2 381	2 268	2 504	2 465	2 370
in % of revenues	*21.8%*	*20.1%*	*19.3%*	*23.4%*	*22.7%*	*22.9%*	*22.8%*	*21.3%*
Industrial Technique	1 649	1 557	1 364	1 496	1 371	1 585	1 647	1 580
in % of revenues	*21.9%*	*20.8%*	*20.0%*	*19.4%*	*21.1%*	*21.8%*	*22.5%*	*21.4%*
Power Technique	1 393	1 406	1 274	1 415	1 145	1 294	1 429	1 323
in % of revenues	*19.3%*	*19.0%*	*18.0%*	*17.8%*	*19.1%*	*19.0%*	*20.0%*	*19.1%*
Common Group functions/eliminations	–458	–514	–289	–384	–330	–666	–280	–1 102
Operating profit	**9 345**	**9 466**	**9 337**	**10 018**	**8 699**	**9 189**	**10 117**	**9 086**
in % of revenues	*21.8%*	*21.1%*	*21.7%*	*21.8%*	*21.8%*	*21.2%*	*22.7%*	*20.2%*
Net financial items	16	–192	–153	–37	–44	–163	–189	–253
Profit before tax	**9 361**	**9 274**	**9 184**	**9 981**	**8 655**	**9 026**	**9 928**	**8 833**
in % of revenues	*21.8%*	*20.7%*	*21.3%*	*21.7%*	*21.7%*	*20.8%*	*22.3%*	*19.6%*

4. Employees and personnel expenses

Average number of employees	2024			2023		
	Women	Men	Total	Women	Men	Total
Parent Company						
Sweden	85	41	126	78	41	119
Subsidiaries						
North America	1 871	6 696	8 567	1 769	6 413	8 182
South America	610	1 813	2 423	560	1 684	2 244
Europe	5 371	18 386	23 757	4 997	17 612	22 609
– of which Sweden	*386*	*1 168*	*1 554*	*347*	*1 110*	*1 457*
Africa/Middle East	291	1 163	1 454	255	1 101	1 356
Asia/Oceania	3 841	14 038	17 879	3 499	13 101	16 600
Total in subsidiaries	**11 984**	**42 096**	**54 080**	**11 080**	**39 911**	**50 991**
Total	**12 069**	**42 137**	**54 206**	**11 158**	**39 952**	**51 110**

For additional information regarding workforce profile, see the Sustainability report, page 66.

Females in the Board of Directors and Group Management, %	Dec. 31, 2024	Dec. 31, 2023
Parent Company		
Board of Directors [1]	50	33
Group Management	30	33

[1] Which excludes President and CEO, includes employee representatives but excludes employee representatives' alternate members.

Remuneration and other benefits	Group	
	2024	2023
Salaries and other remuneration	37 626	33 708
Contractual pension benefits	1 939	1 798
Other social costs	6 696	5 970
Total	**46 261**	**41 476**
Pension obligations to Board members and Group Management [1]	4	4

[1] Refers to former members of Group Management.

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4. Employees and personnel expenses, continued

2024 Remuneration and other benefits to the Board, KSEK	Fee	Value of synthetic shares at grant date	Number of synthetic shares at grant date	Other fees [1]	Total fees incl. value of synthetic shares at grant date	Effect of vesting and change in stock price [2]	Total expense recognized [3]
Chair:							
Hans Stråberg	1 675	1 700	8 666	655	4 030	–243	3 787
Other members of the Board:							
Jumana Al-Sibai	542	550	2 804	–	1 092	–195	897
Johan Forssell	954	–	–	366	1 320	117	1 437
Heléne Mellquist	542	550	2 804	210	1 302	–61	1 241
Anna Ohlsson-Leijon	542	550	2 804	550	1 642	–68	1 574
Gordon Riske	542	550	2 804	224	1 316	–78	1 238
Karin Rådström [4]	413	550	2 804	–	963	–195	768
Peter Wallenberg Jr	542	550	2 804	224	1 316	–78	1 238
Other members of the Board previous year	–	–	–	–	–	134	134
Employee representatives (4) [5]	116	–	–	–	116	–	116
Total	**5 868**	**5 000**	**25 490**	**2 229**	**13 097**	**–667**	**12 430**

[1] Refers to fees for membership in board committees.
[2] Refers to synthetic shares received in 2020–2024.
[3] Provision for synthetic shares as at December 31, 2024 amounted to MSEK 25 (29).
[4] Karin Rådström was elected board member at the Annual Meeting 2024.
[5] Employee representatives receive compensation to prepare for their participation in board meetings.

2023 Remuneration and other benefits to the Board, KSEK	Fee	Value of synthetic shares at grant date	Number of synthetic shares at grant date	Other fees [1]	Total fees incl. value of synthetic shares at grant date	Effect of vesting and change in stock price [2]	Total expense recognized [3]
Chair:							
Hans Stråberg	1 588	1 600	10 817	463	3 651	3 199	6 850
Other members of the Board:							
Jumana Al-Sibai [4]	388	518	3 499	–	906	–62	844
Staffan Bohman [5]	125	–	–	50	175	672	847
Johan Forssell	513	518	3 499	224	1 255	1 022	2 277
Heléne Mellquist	513	518	3 499	–	1 031	321	1 352
Anna Ohlsson-Leijon	513	518	3 499	433	1 464	493	1 957
Gordon Riske	513	518	3 499	79	1 110	733	1 843
Peter Wallenberg Jr	513	518	3 499	104	1 135	1 022	2 157
Other members of the Board previous year	–	–	–	–	–	578	578
Employee representatives (4) [6]	113	–	–	–	113	–	113
Total	**4 779**	**4 708**	**31 811**	**1 353**	**10 840**	**7 978**	**18 818**

[1] Refers to fees for membership in board committees.
[2] Refers to synthetic shares received in 2019–2023.
[3] Provision for synthetic shares as at December 31, 2023 amounted to MSEK 29 (22).
[4] Jumana Al-Sibai was elected board member at the Annual Meeting 2023.
[5] Staffan Bohman left the Board at the Annual General Meeting 2023.
[6] Employee representatives receive compensation to prepare for their participation in board meetings.

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4. Employees and personnel expenses, continued

2024 Remuneration and other benefits to Group Management, KSEK	Base salary [2]	Variable compensation [3]	Other benefits [4]	Pension fees	Total, excl. recognized costs for share based payments	Recognized costs for share based payments [5]	Total expense recognized
President and CEO							
Vagner Rego , from May 1, 2024 [1]	10 667	7 680	169	3 733	22 249	4 362	26 611
Mats Rahmström, until April 30, 2024 [1]	11 538	5 040	44	2 450	19 072	22 899	41 971
Other members of Group Management (9 positions)	42 115	16 198	6 975	10 611	75 899	17 275	93 174
Total	**64 320**	**28 918**	**7 188**	**16 794**	**117 220**	**44 536**	**161 756**
Total remuneration and other benefits to the Board and Group Management							**174 186**

[1] Further details on the President and CEO remuneration is part of the Remuneration Report that will be published in connection with the notice to the Annual General Meeting.
[2] Includes vacation pay and compensation for unused vacation days.
[3] Refers to variable compensation earned in 2024 to be paid in 2025, based on actual base salary entitlement.
[4] Refers to company car, medical insurance, and other benefits.
[5] Refers to stock options and SARs received in 2018–2024 and includes recognized costs due to change in stock price and vesting period, see also note 22.

2023 [1] Remuneration and other benefits to Group Management, KSEK	Base salary	Variable compensation [3]	Other benefits [4]	Pension fees	Total, excl. recognized costs for share based payments	Recognized costs for share based payments [5]	Total expense recognized
President and CEO							
Mats Rahmström [2]	20 683	14 221	130	7 070	42 104	10 328	52 432
Other members of Group Management (8 positions)	33 018	18 459	6 241	9 126	66 844	11 933	78 777
Total	**53 701**	**32 680**	**6 371**	**16 196**	**108 948**	**22 261**	**131 209**
Total remuneration and other benefits to the Board and Group Management							**150 027**

[1] In line with 2024 year's reporting, vacation pay and compensation for unused vacation days are included in base salary instead of other benefits.
[2] Further details on the President and CEO remuneration is part of the Remuneration Report that will be published in connection with the notice to the Annual General Meeting.
[3] Refers to variable compensation earned in 2023 to be paid in 2024, based on actual base salary entitlement.
[4] Refers to company car, medical insurance, and other benefits.
[5] Refers to stock options and SARs received in 2017–2023 and includes recognized costs due to change in stock price and vesting period, see also note 22.

Guidelines for remuneration and other fees for members of the Board, the President and CEO, and other members of Group Management

The guidelines for remuneration to the Board and Group Management are approved at the Annual General Meeting of the shareholders. The guidelines approved by the 2024 meeting are described in the following paragraphs.

Board members
Remuneration and fees are based on the work performed by the Board. The remuneration and fees approved for 2024 are detailed in the table on the previous page. The remuneration to the President and CEO, who is a member of Group Management, is described in the following sections and in the Remuneration Report.

The Annual General Meeting decided that each board member can elect to receive 50% of the 2024 gross fee before tax, excluding other committee fees, in the form of synthetic shares and the remaining part in cash. The number of synthetic shares is based upon an average end price of series A shares during ten trading days following the release of the first quarterly interim report for 2024. The share rights are earned 25% per quarter as long as the member remains on the Board. After five years, the synthetic shares give the right to receive a cash payment per synthetic share based upon an average price for series A shares during ten trading days following the release of the first quarterly interim report of the year of payment. The board members will receive dividends on series A shares until payment date in the form of new synthetic shares. If a board member resigns from his or her position before the stipulated payment date as stated above, the board member has the right to request a prepayment. The prepayment will be made twelve months after the date when the board member resigned or otherwise the original payment date is valid.

Status end of year
Seven board members accepted the right to receive synthetic shares. The number and costs at grant date and at the end of the financial year are disclosed by board member in the table on the previous page.

Remuneration and other committees 2024
The board has four committees:
- Remuneration committee consisting of Hans Stråberg (Chair), Gordon Riske and Peter Wallenberg Jr. The committee proposed compensation to the President and CEO for approval by the Board. The committee also supported the President and CEO in determining the compensation to other members of Group Management.
- Audit committee consisting of Anna Ohlsson-Leijon (Chair), Johan Forssell, Helene Mellquist (from the Annual Meeting 2024) and Hans Stråberg.
- Repurchase committee consisting of Anna Ohlsson-Leijon (Chair) and Hans Stråberg.
- Committee for recruitment of a new President and CEO consisting of Hans Stråberg (Chair), Johan Forssell, Gordon Riske and Peter Wallenberg Jr.

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4. Employees and personnel expenses, continued

Group Management
Group Management consists of the President and CEO and nine other members of the Executive Committee. The compensation to Group Management shall consist of base salary, variable compensation, possible long-term incentive (share value based incentive programs), pension benefits and other benefits.

The following describes the various guidelines in determining the amount of remuneration:
- Base salary is based on competence, area of responsibility, experience and performance.
- Variable compensation is linked to predetermined and measurable criteria which can be financial or non-financial. Non-financial criteria for 2024 has been to reduce the Group's greenhouse gas emissions in line with the Group's science-based targets. The variable compensation is maximized to 80% of the base salary for the President and CEO, 60% for Business Area Presidents, and 50% for other members of Group Management. The Board shall have the possibility, under application law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable compensation paid on incorrect grounds (claw-back). According to the Atlas Copco Group Pension Policy for Swedish Executives, members of Group Management have the option to receive variable compensation in the form of cash payment or as a pension contribution.
- Performance-based employee stock option plan, see note 22.
- Pension benefits are paid in accordance with a defined contribution plan with premiums set in line with Atlas Copco Group Pension Policy for Swedish Executives and Atlas Copco Group Terms and Conditions for Expatriate Employments.
- Other benefits consist of company car and medical insurance.
- For the expatriates, certain benefits are paid in compliance with the Atlas Copco Group Terms and Conditions for Expatriate Employment.
- A mutual notice of termination of employment of six months shall apply.

The Board may resolve to deviate from the guidelines, in whole or in part, if in a specific case there are special reasons for the deviation and the Board deems deviation is needed to serve the company's long-term interests or to ensure the company's financial viability. No fees are paid to Group Management for board memberships in Group companies.

President and CEO
The variable compensation can give a maximum of 80% of the base salary. The variable compensation is not included in the basis for pension benefits. According to an agreement, the President and CEO has the option to receive variable compensation in the form of cash payment or as a pension contribution. The President and CEO is a member of the Atlas Copco ABs Pension Policy for Swedish Executives, which is a defined contribution plan. The contribution is age related and is up to a maximum of 35% of the base salary. These pension plans are vested. In addition, premiums for private health insurance are added. The retirement age of the President and CEO is set at the age of 65.

Other members of Group Management
The variable compensation is not included in the basis for pension benefits. Members of Group Management have defined contribution pension plans, with contribution up to a maximum of 35% of the base salary according to age. These pension plans are vested. The retirement age is 65, unless there is an agreement between the company and the individual on a longer employment.

Termination of employment
The President and CEO is entitled to a severance pay of twelve months if the Company terminates the employment and a further twelve months if other employment is not available.

Other members of Group Management are entitled to severance pay if the Company terminates their employment. The amount of severance pay is dependent on the length of employment with the Company and the age of the executive, but is never less than 12 months and never more than 24 months' salary.

Any income that the President and CEO and other members of Group Management receives from employment or other business activity, whilst severance pay is being paid, will reduce the amount of severance pay accordingly.

Severance pay for the President and CEO and other members of Group Management is calculated only on the base salary and does not include variable compensation. Severance pay cannot be elected by the employee, but will only be paid if employment is terminated by the Company.

Share value based incentive programs, holding for Group Management – year end
The holdings in the share value based incentive programs (see note 22) as at December 31 are detailed below:

Stock options/matchning options as at Dec. 31, 2024 [1]

Grant Year	President and CEO	Other members of Group Management
2018	–	61 936
2019	142 242	556 750
2020	–	19 845
2021	91 877	487 203
2022	82 872	487 124
2023	95 105	548 543
2024 [2]	278 904	481 295
Total	**691 000**	**2 642 696**

[1] The numbers have been adjusted for the effect of the distribution of Epiroc and the share splits in 2018 and 2022. See note 22 for additional information.
[2] Estimated allotment for the 2024 stock option program including matching options.

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5. Remuneration to auditors

Audit fees and other services	2024	2023
Ernst & Young		
Audit fee	119	108
Audit activities other than the audit assignment	–	1
Other services, tax	4	5
Other services, other	4	2
Other audit firms		
Audit fee	13	19
Total	**140**	**135**

Audit fee refers to audit of the financial statements and the accounting records. For the Parent Company, this also includes the administration of the business by the Board of Directors and the President and CEO.

Tax services include mostly tax consultancy services.

Other services essentially comprise consultancy services, such as due diligence services in connection with acquisitions, investigations and similar.

At the Annual General Meeting 2024, Ernst & Young was re-elected as auditor for the Group up to and including the Annual General Meeting 2025.

6. Other operating income and expenses

Other operating income	2024	2023
Commissions received	27	28
Income from insurance operations	128	146
Capital gain on sale of property, plant and equipment	59	75
Exchange-rate differences, net	47	–
Other operating income	817 [1]	295
Total	**1 078**	**544**

Other operating expenses	2024	2023
Capital loss on sale of property, plant and equipment	–64	–33
Exchange-rate differences, net	–	–1 016
Other operating expenses	–470 [1]	–833 [1]
Total	**–534**	**–1 882**

[1] Other operating income in 2024 includes 222 related to a representations and warranties insurance claim in the business area Vacuum Technique. Other operating expenses in 2023 included –606 related to a commercial dispute originating from an agreement dating back to before the current Group structure and the split of the Group in 2018. In 2024, a partial release of 65 was recorded in Other operating income. Other operating expenses in 2024 also include –194 related to costs for a management buyout in Russia in the form of an asset transfer.

6. Other operating income and expenses, continued

Additional information on costs by nature

Cost of goods sold includes expenses for inventories, see note 15, warranty costs and transportation costs.

Salaries, remunerations and employer contributions amounted to 46 261 (41 476) whereof expenses for post-employment benefits amounted to 1 939 (1 798). See note 4 for further details.

Government grants of 371 (252) have been deducted in the related expenses or included in other operating income. Government grants related to assets have been recognized as a deduction when establishing the carrying amount of the asset. Therefore, the government grants are reported as income over the useful life of the asset through a reduction in depreciation expense. The remaining value of these grants, at the end of 2024, amounted to 288 (181).

Included in the operating profit are exchange rate changes on payables and receivables, and the effects from currency hedging. The operating profit also includes 0 (–72) of realized foreign exchange hedging result, which were previously recognized in equity.

Amortization, depreciation and impairment charge for the year amounted to 8 813 (7 779). See note 11, 12 and 21 for further details. Costs for research and development amounted to 7 065 (6 693).

7. Financial income and expenses

Financial income and expenses	2024	2023
Interest income:		
– cash and cash equivalents	660	393
Capital gain:		
– other assets	3	9
Change in fair value – other assets	44	38
Financial income	**707**	**440**
Interest expenses:		
– borrowings	–838	–850
– derivatives	–8	–23
– pension provisions, net	–63	–27
– deferred considerations	–9	–14
Change in fair value – other liabilities and borrowings	–3	–
Foreign exchange loss, net	–151	–175
Impairment loss	–1	–
Financial expenses	**–1 073**	**–1 089**
Financial expenses, net	**–366**	**–649**

Foreign exchange gain/loss, net includes foreign exchange gains of 774 (1 074) on financial assets at fair value through profit or loss and foreign exchange losses of –925 (–1 249) on other liabilities.

8. Taxes

Income tax expense	2024	2023
Current taxes	–8 880	–9 334
Deferred taxes	874	944
Total	**–8 006**	**–8 390**

The following is a reconciliation of the companies' weighted average tax based on the nominal tax for the country as compared to the actual tax charge:

	2024	2023
Profit before tax	**37 800**	**36 442**
Weighted average tax based on national rates	–8 071	–8 557
in %	*21,4*	*23.5*
Tax effect of:		
– non-deductible expenses	–346	–401
– withholding and other taxes on dividends	–610	–498
– tax-exempt income	1 179	1 064
Adjustments from prior years:		
– current taxes	56	–103
– deferred taxes	–7	77
Effects of tax losses/credits utilized	6	29
Change in tax rate, deferred tax	–53	19
Tax losses not recognized	–31	–48
Other items	–129	28
Income tax expense	**–8 006**	**–8 390**
Effective tax in %	21.2	23.0

The effective tax rate was 21.2% (23.0). Withholding and other taxes on dividends of –610 (–498) relate to provisions on retained earnings in countries where Atlas Copco Group incur withholding and other taxes on dividends. Tax-exempt income of 1 179 (1 064) refers to income that is not subject to taxation or subject to reduced taxation under local law in various countries. Adjustments from prior years – current tax includes the net from tax issues, tax disputes and also one-time positive tax effects in different countries and amounted to 56 (–103).

In 2024, effects of income tax rate changes in deferred tax have affected the result with –53 (19).

European Commission's decision on Belgium's tax rulings

On January 11, 2016, the European Commission announced its decision that Belgian tax rulings granted to companies regarding "Excess Profit" shall be considered as illegal state aid and that unpaid taxes shall be reclaimed by the Belgian state. Atlas Copco Group had such tax ruling since 2010.

In 2015, Atlas Copco Group made a provision of MEUR 300 (MSEK 2 802). MEUR 239 (MSEK 2 250) was paid in 2016 and MEUR 68 (MSEK 655) in 2017. MEUR 13 (MSEK 125) was expensed as an interest cost in 2017.

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8. Taxes, continued

The Belgian government, as well as Atlas Copco Group, appealed the decision to the General Court of the European Union (EGC) in Luxembourg. Since 2016 different aspects of the case has been judged in both the European General Court and the European Court of Justice. In September 2023, the European General Court confirmed the 2016 decision of the European Commission, i.e. that the tax benefit that resulted from the tax rulings, constituted unlawful State aid. As per December 7, 2023, Atlas Copco Group has appealed to the European Court of Justice.

Assessment of OECD's Pillar Two

The global minimum tax ("Pillar Two") legislation has been enacted in Sweden, where the Ultimate Parent Entity is resident, and in many of the jurisdictions where the Group operates. The legislation has been effective for the Group's financial year beginning 1 January 2024. The Atlas Copco Group is in scope of the enacted legislation and has performed an assessment of the Group's exposure to Pillar Two income taxes.

The assessment of the exposure to Pillar Two income taxes is based on the underlying financial data for 2024 which will be used for the country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions where the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply. The Pillar Two income taxes in those jurisdictions are not expected to be material, compared to the total tax cost of the Atlas Copco Group.

The following table reconciles the net asset balance of deferred taxes at the beginning of the year to the net asset at the end of the year:

Change in deferred taxes	2024	2023
Opening balance net, Jan. 1	–33	–552
Business acquisitions	–907	–356
Charges to profit for the year	874	944
Tax on amounts recorded to other comprehensive income	142	–75
Tax related to equity settled share-based payment	–21	69
Translation differences	–96	–63
Closing balance net, Dec. 31	**–41**	**–33**

The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following:

Deferred tax assets and liabilities	2024			2023		
	Assets	Liabilities	Net balance	Assets	Liabilities	Net balance
Intangible assets	973	6 044	–5 071	779	5 248	–4 469
Property, plant and equipment [1]	380	1 683	–1 303	304	1 368	–1 064
Other financial assets	19	189	–170	22	145	–123
Inventories	3 072	55	3 017	2 762	40	2 722
Current receivables	295	320	–25	305	310	–5
Operating liabilities	1 113	70	1 043	984	24	960
Provisions	531	12	519	534	17	517
Post-employment benefits	542	37	505	557	23	534
Borrowings [1]	1 355	16	1 339	988	14	974
Loss/credit carry-forwards	673	–	673	516	–	516
Other items [2]	3	571	–568	4	599	–595
Deferred tax assets/liabilities	**8 956**	**8 997**	**–41**	**7 755**	**7 788**	**–33**
Netting of assets/liabilities	–6 381	–6 381	–	–5 521	–5 521	–
Net deferred tax balances	**2 575**	**2 616**	**–41**	**2 234**	**2 267**	**–33**

[1] The gross amount of deferred tax assets and liabilities relating to right-of-use assets and lease liabilities are included in Property, plant and equipment and Borrowings. The net amount of these items is not material.

[2] Other items primarily include tax deductions which are not related to specific balance sheet items.

Deferred tax assets regarding tax loss carry-forwards are reported to the extent that realization of the related tax benefit through future taxable results is probable. At December 31, the Group had total tax loss carry-forwards of 4 049 (3 499), of which deferred tax assets were recognized for 2 308 (1 853). The tax value of reported tax loss carry-forwards totals 659 (506). There is no expiration date for utilization of the major part of the tax losses carry-forwards for which deferred tax assets have been recognized.

Tax loss carry-forwards for which no deferred tax have been recognized expire in accordance with below table:

	2024	2023
Expires after 1–2 years	2	6
Expires after 3–4 years	1	1
Expires after 5–6 years	22	4
No expiry date	1 716	1 635
Total	**1 741**	**1 646**

Changes in temporary differences during the year that are recognized in the income statement are attributable to the following:

	2024	2023
Intangible assets	533	453
Property, plant and equipment	–94	–177
Other financial assets	1	19
Inventories	78	327
Current receivables	23	–28
Operating liabilities	89	27
Provisions	–31	149
Post-employment benefits	–44	–89
Borrowings	133	91
Other items	40	–173
Changes due to temporary differences	**728**	**599**
Loss/credit carry-forwards	146	345
Charges to profit for the year	**874**	**944**

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9. Other comprehensive income

Other comprehensive income for the year	2024			2023		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Attributable to owners of the parent						
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	218	–57	161	–753	192	–561
Items that may be reclassified subsequently to profit or loss						
Translation differences:						
– on foreign operations	6 555	79	6 634	–4 713	–13	–4 726
Hedge of net investments in foreign operations	–603	124	–479	148	–31	117
Cash flow hedges	–	–	–	28	–6	22
Total other comprehensive income	**6 170**	**146**	**6 316**	**–5 290**	**142**	**–5 148**
Attributable to non-controlling interests						
Translation differences on foreign operations	3	–	3	–4	–	–4
Total other comprehensive income	**6 173**	**146**	**6 319**	**–5 294**	**142**	**–5 152**

10. Earnings per share

Amounts in SEK	Basic earnings per share		Diluted earnings per share	
	2024	2023	2024	2023
Earnings per share	6.11	5.76	6.10	5.75

The calculation of earnings per share presented above is based on profits and number of shares as detailed below.

Profit for the year attributable to owners of the parent	2024	2023
Profit for the year	29 782	28 040

Average number of shares outstanding	2024	2023
Basic weighted average number of shares outstanding	4 873 635 218	4 871 364 070
Effect of employee stock options	8 018 677	7 486 197
Diluted weighted average number of shares outstanding	4 881 653 895	4 878 850 267

Potentially dilutive instruments

As of December 31, 2024, Atlas Copco Group had seven outstanding employee stock option programs. For the 2020 program, no options were issued as the EVA target for the Group was not met. The exercise price including adjustment for remaining vesting costs for the 2023 and 2024 programs exceeded the average share price for series A shares, SEK 183.40 per share. These programs are therefore considered anti-dilutive and not included in the calculation of diluted earnings per share. If the average share price after adjustment with above, exceeds the strike price in the future, these options will be dilutive, which is the case for the 2018, 2019, 2021 and 2022 programs.

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11. Intangible assets

Impairment tests for cash-generating units with goodwill and for intangible assets with indefinite useful lives

Impairment tests (including sensitivity analyses) are performed as per September 30 each year and when there is an indication of impairment.

Current goodwill is monitored for internal management purposes at business area level which also represents the Group's operating segments. The goodwill has therefore been tested for impairment at business area level.

The recoverable amounts of the cash generating units have been calculated as value-in-use based on management's five-year forecast for net cash flows where the most significant assumptions are revenues, operating profits, working capital, and capital expenditures.

All assumptions for the five-year forecast are estimated individually for each of the business areas based on their particular market position and the characteristics and development of their end-markets. The forecasts represent management's assessment and are based on both external and internal sources. The perpetual growth for the period after five years is estimated at 2% (2).

The Group's average weighted cost of capital in 2024 was 8% (8) after tax (approximately 10.5% (10.5) before tax) and has been used in discounting the cash flows to determine the recoverable amounts. The business areas are all relatively diversified and have similar geographical coverage, similar organization and structure and, to a large extent, an industrial customer base. Specific risks, if any, have affected projected cash flows. The same discount rate has therefore been used for all business areas. All business areas are expected to generate a return well above the values to be tested, including sensitivity analyses/worst-case scenarios.

The following table presents the carrying value of goodwill and trademarks with indefinite useful lives allocated by business area:

	2024		2023	
	Trademarks	Goodwill	Trademarks	Goodwill
Compressor Technique	–	8 149	–	7 078
Vacuum Technique	3 146	16 380	2 897	14 542
Industrial Technique	–	15 990	–	14 713
Power Technique	–	11 287	–	9 028
Total	**3 146**	**51 806**	**2 897**	**45 361**

The trade names of Edwards, Leybold, CTI and Polycold in the Vacuum Technique business area represent strong trade names that have been used for a long time in their industries. Management's intention is that these trade names will be used for an indefinite period of time. Apart from the assessment of future customer demand and the profitability of the business, future marketing strategy decisions involving the trade names, can affect the carrying value of these intangible assets.

Amortization and impairment of intangible assets are recognized in the following line items in the income statement:

	2024			2023		
	Internally generated	Acquired	**Total**	Internally generated	Acquired	**Total**
Cost of sales	20	24	44	23	25	48
Marketing expenses	26	1 596	1 622	23	1 446	1 469
Administrative expenses	108	72	180	108	58	166
Research and development expenses	994	776	1 770	868	748	1 616
Total	**1 148**	**2 468**	**3 616**	**1 022**	**2 277**	**3 299**

Impairment charges on intangible assets totaled 118 (82), of which 1 (0) was classified as cost of sales, 109 (82) was classified as research and development expenses, and 8 (0) as administrative expenses. Of the impairment charges, 70 (61) was due to capitalized development costs relating to projects discontinued.

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11. **Intangible assets,** continued

	Internally generated intangible assets		Acquired intangible assets					
2024	Product development	Other technology and contract based	Product development	Trademarks	Marketing and customer related	Other technology and contract based	Goodwill	**Total**
Cost								
Opening balance, Jan. 1	8 852	2 003	672	6 156	15 292	10 872	45 400	89 247
Investments	1 264	370	–	–	–	154	–	1 788
Business acquisitions	–	–	6	251	2 765	701	3 662	7 385
Disposals	–241	–40	–	–	–10	–42	–	–335
Reclassifications	210	15	–655	–	–	463	–	33
Translation differences	290	81	36	403	990	747	2 787	5 336
Closing balance, Dec. 31	**10 375**	**2 429**	**59**	**6 810**	**19 037**	**12 895**	**51 849**	**103 454**
Amortization and impairment losses								
Opening balance, Jan. 1	5 031	1 186	115	1 870	7 893	5 612	39	21 746
Amortization for the period	889	145	1	227	1 357	879	–	3 498
Impairment charge for the period	105	9	4	–	–	–	–	118
Disposals	–241	–40	–	–	–10	–42	–	–333
Reclassifications	86	–	–83	–	–	6	–	9
Translation differences	165	52	7	102	581	398	4	1 309
Closing balance, Dec. 31	**6 035**	**1 352**	**44**	**2 199**	**9 821**	**6 853**	**43**	**26 347**
Carrying amounts at Jan. 1	3 821	817	557	4 286	7 399	5 260	45 361	67 501
Carrying amounts at Dec. 31	**4 340**	**1 077**	**15**	**4 611**	**9 216**	**6 042**	**51 806**	**77 107**

	Internally generated intangible assets		Acquired intangible assets					
2023	Product development	Other technology and contract based	Product development	Trademarks	Marketing and customer related	Other technology and contract based	Goodwill	**Total**
Cost								
Opening balance, Jan. 1	7 997	1 875	696	5 889	14 504	10 943	44 338	86 242
Investments	1 091	229	1	–	–	143	–	1 464
Business acquisitions	–	–	–2	433	1 160	160	2 249	4 000
Disposals	–108	–59	–	–	–6	–70	–	–243
Reclassifications	11	–16	–	–	26	–10	–	11
Translation differences	–139	–26	–23	–166	–392	–294	–1 187	–2 227
Closing balance, Dec. 31	**8 852**	**2 003**	**672**	**6 156**	**15 292**	**10 872**	**45 400**	**89 247**
Amortization and impairment losses								
Opening balance, Jan. 1	4 330	1 107	115	1 688	6 877	5 019	39	19 175
Amortization for the period	786	154	5	205	1 230	837	–	3 217
Impairment charge for the period	82	–	–	–	–	–	–	82
Disposals	–105	–59	–	–	–6	–69	–	–239
Reclassifications	1	–1	–	3	22	–10	–	15
Translation differences	–63	–15	–5	–26	–230	–165	–	–504
Closing balance, Dec. 31	**5 031**	**1 186**	**115**	**1 870**	**7 893**	**5 612**	**39**	**21 746**
Carrying amounts at Jan. 1	3 667	768	581	4 201	7 627	5 924	44 299	67 067
Carrying amounts at Dec. 31	**3 821**	**817**	**557**	**4 286**	**7 399**	**5 260**	**45 361**	**67 501**

Other technology and contract based intangible assets include computer software, patents, and contract based rights such as licenses and franchise agreements. Marketing and customer related intangible assets include Internet domain names, customer lists, customer contracts and relationships with customers. All intangible assets other than goodwill and trademarks with indefinite useful lives are amortized.

For information regarding principles for amortization and impairment, see note 1.
See note 2 for information on business acquisitions.

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12. Property, plant and equipment

2024	Buildings and land	Machinery and equipment	Construction in progress and advances	**Total**	Rental equipment
Cost					
Opening balance, Jan. 1	8 964	17 864	2 796	29 624	9 229
Investments	94	1 074	3 071	4 239	2 525
Business acquisitions	355	554	37	946	106
Disposals	–145	–728	–2	–875	–833
Reclassifications	1 568	1 248	–2 796	20	–91
Translation differences	401	715	123	1 239	352
Closing balance, Dec. 31	**11 237**	**20 727**	**3 229**	**35 193**	**11 288**
Depreciation and impairment losses					
Opening balance, Jan. 1	3 529	11 732	5	15 266	4 884
Depreciation for the period	399	1 840	–	2 239	1 098
Impairment charge for the period	2	8	–5	5	–
Disposals	–91	–673	–	–764	–765
Reclassifications	4	32	–	36	–79
Translation differences	178	488	–	666	203
Closing balance, Dec. 31	**4 021**	**13 427**	**–**	**17 448**	**5 341**
Carrying amounts at Jan. 1	5 435	6 132	2 791	14 358	4 345
Carrying amounts at Dec. 31	**7 216**	**7 300**	**3 229**	**17 745**	**5 947**

2023	Buildings and land	Machinery and equipment	Construction in progress and advances	**Total**	Rental equipment
Cost					
Opening balance, Jan. 1	8 350	16 300	2 418	27 068	7 287
Investments	215	1 129	2 645	3 989	1 814
Business acquisitions	50	103	–	153	907
Disposals	–96	–558	–	–654	–449
Reclassifications	727	1 476	–2 167	36	–27
Translation differences	–282	–586	–100	–968	–303
Closing balance, Dec. 31	**8 964**	**17 864**	**2 796**	**29 624**	**9 229**
Depreciation and impairment losses					
Opening balance, Jan. 1	3 375	10 968	5	14 348	4 598
Depreciation for the period	335	1 600	–	1 935	897
Impairment charge for the period	3	6	–	9	–
Disposals	–79	–517	–	–596	–409
Reclassifications	–3	37	–	34	–32
Translation differences	–102	–362	–	–464	–170
Closing balance, Dec. 31	**3 529**	**11 732**	**5**	**15 266**	**4 884**
Carrying amounts at Jan. 1	4 975	5 332	2 413	12 720	2 689
Carrying amounts at Dec. 31	**5 435**	**6 132**	**2 791**	**14 358**	**4 345**

For information regarding principles for depreciation and impairment, see note 1.

See note 2 for information on business acquisitions.

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13. Investments in associated companies and joint ventures

Accumulated capital participation	2024	2023
Opening balance, Jan. 1	854	939
Dividends	–44	–34
Profit for the year after income tax	45	41
Translation differences	–15	–92
Closing balance, Dec. 31	**840**	**854**

The tables below are based on the most recent financial reporting available from associated companies and joint ventures.

2024 Summary of financial information for associated companies and joint ventures	Country	Assets [1]	Liabilities [1]	Equity [1]	Revenues [1]	Profit for the year [1]	Group's share, % [2]	Carrying value Dec. 31
Associated companies								
Qingdao Qianshao Pneumatic Tool Manufacturing Tech Ltd.	China	81	35	46	60	2	25	12
Reintube S.L.	Spain	10	5	5	14	0	47	0
Joint ventures								
Toku-Hanbai Group	Japan	392	149	243	723	–9	50	122
Ulvac Cryogenics Inc.	Japan	1 097	368	729	792	98	50	706
Total								**840**

[1] Presented amounts for associated companies and joint ventures are for 100% of the company.
[2] The Atlas Copco Group percentage share of each holding represents both ownership interest and voting power.

2023 Summary of financial information for associated companies and joint ventures	Country	Assets [1]	Liabilities [1]	Equity [1]	Revenues [1]	Profit for the year [1]	Group's share, % [2]	Carrying value Dec. 31
Associated companies								
Qingdao Qianshao Pneumatic Tool Manufacturing Tech Ltd.	China	75	34	41	41	0	25	10
Reintube S.L.	Spain	8	4	4	12	0	47	0
Joint ventures								
Toku-Hanbai Group	Japan	449	199	250	1 019	25	50	125
Ulvac Cryogenics Inc.	Japan	1 101	357	744	745	57	50	719
Total								**854**

[1] Presented amounts for associated companies and joint ventures are for 100% of the company.
[2] The Atlas Copco Group percentage share of each holding represents both ownership interest and voting power.

14. Other financial assets

The fair value of financial instruments under other financial assets corresponds to their carrying value.

	2024	2023
Non-current		
Pension and other similar benefit assets (note 22)	1 432	1 132
Derivatives at fair value through profit or loss	2	–
Financial assets at fair value through OCI	1	1
Financial assets at fair value through profit or loss	66	96
Financial assets measured at amortized cost:		
– lease receivables	56	72
– other financial receivables	106	93
Closing balance, Dec. 31	**1 663**	**1 394**
Current		
Financial assets at fair value through profit or loss	360	329
Financial assets measured at amortized cost:		
– lease receivables	17	38
– other financial receivables	57	598
Closing balance, Dec. 31	**434**	**965**

See note 21 for information on leases and note 26 for information on credit risk.

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15. Inventories

	2024	2023
Raw materials	4 896	5 020
Work in progress	7 464	6 597
Semi-finished goods	7 342	7 511
Finished goods	9 310	10 155
Closing balance, Dec. 31	**29 012**	**29 283**

Provisions for obsolescence and other write-downs of inventories recorded as cost of sales amounted to 968 (908). Reversals of write-downs which were recognized in earnings totaled 46 (25). Previous write-downs have been reversed as a result of improved market conditions in certain markets.

Inventories recognized as expense amounted to 72 774 (72 189).

16. Trade receivables

The fair value for trade receivables corresponds to their carrying value. Trade receivables are measured at amortized cost.

Expected credit losses	2024	2023
Opening balance, Jan. 1	1 078	976
Business acquisitions and divestments	26	10
Provisions recognized for potential losses	547	467
Amounts used for established losses	–174	–141
Release of unnecessary provisions	–240	–193
Translation differences	59	–41
Closing balance, Dec. 31	**1 296**	**1 078**

Trade receivables of 33 817 (32 680) are reported net of expected credit losses and other impairments amounting to 1 296 (1 078).

Expected credit losses and impairment losses recognized in the income statement totaled 306 (248).

For credit risk information, see note 26.

17. Other receivables

The fair value of financial instruments included in other receivables corresponds to their carrying value.

	2024	2023
Derivatives:		
– at fair value through profit or loss	76	108
Financial assets measured at amortized cost:		
– other receivables	4 514	3 940
– contract assets	6 218	5 699
Prepaid expenses	1 514	1 294
Closing balance, Dec. 31	**12 322**	**11 041**

Other receivables consist primarily of VAT claims and advances to suppliers. Contract assets consist of service contracts and projects of customized goods recognized over time. Impairment losses recognized on contract assets were insignificant. Prepaid expenses include items such as insurance, IT and employee costs.

See note 26 for information on the Group's derivatives.

18. Cash and cash equivalents

The fair value of cash and cash equivalents corresponds to their carrying value. Cash and cash equivalents are measured at amortized cost.

	2024	2023
Cash	7 100	9 490
Cash equivalents	11 868	1 397
Closing balance, Dec. 31	**18 968**	**10 887**

Cash and cash equivalents include cash in Russia, amounting to 159 (226), which is not immediately available for use by the Group.

During the year, cash and cash equivalents had an estimated average effective interest rate of 4.16% (3.28). The committed, but unutilized, credit lines were MEUR 1 640 (1 640), which equaled to MSEK 18 802 (18 124).

See note 26 for additional information.

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19. Equity

	2024			2023		
Shares outstanding	A shares	B shares	Total	A shares	B shares	Total
Opening balance, Jan. 1	3 357 576 384	1 560 876 032	4 918 452 416	3 357 576 384	1 560 876 032	4 918 452 416
Total number of shares, Dec. 31	**3 357 576 384**	**1 560 876 032**	**4 918 452 416**	**3 357 576 384**	**1 560 876 032**	**4 918 452 416**
– of which held by Atlas Copco	–47 838 434	–	–47 838 434	–47 893 133	–	–47 893 133
Total shares outstanding, Dec. 31	**3 309 737 950**	**1 560 876 032**	**4 870 613 982**	**3 309 683 251**	**1 560 876 032**	**4 870 559 283**

At December 31, 2024 Atlas Copco AB's share capital amounted to SEK 786 008 190 distributed among 4 918 452 416 shares, each with a quota value of approximately SEK 0.16 (0.16). Series A shares entitle the holder to one voting right and series B shares entitle the holder to one-tenth of a voting right per share. In the below table the transactions for year 2024 shows the actual number of shares repurchased and divested.

	Number of shares held by Atlas Copco						Cost value affecting equity	
Repurchases/Divestment of shares	**2024**	AGM mandate 2024, Apr.–Dec.	AGM mandate 2023, Jan.–Mar.	**2023**	AGM mandate 2023, Apr.–Dec.	AGM mandate 2022, Jan.–Mar.	**2024**	**2023**
Opening balance, Jan. 1	47 893 133			50 095 451			4 427	4 007
Repurchase of A shares	5 030 000	5 030 000	–	7 785 000	6 040 000	1 745 000	898	1 243
Divestment of A shares	–5 084 699	–2 774 958	–2 309 741	–9 987 318	–8 214 129	–1 773 189	–470	–823
Closing balance, Dec. 31	**47 838 434**			**47 893 133**			**4 855**	**4 427**
Percentage of shares outstanding	1.0%			1.0%				

The 2024 AGM approved a mandate for the Board of Directors to repurchase and sell series A shares on Nasdaq Stockholm in order to fulfill the obligations under the performance stock option plan. The mandate is valid until the next AGM and allows:

- The purchase of not more than 10 000 000 series A shares, whereof a maximum 8 000 000 may be transferred to personnel stock option holders under the performance stock option plan 2024.
- The purchase of not more than 60 000 series A shares, later to be sold on the market in connection with payment to board members who have opted to receive synthetic shares as part of their board fee.
- The sale of not more than 60 000 series A shares to cover costs related to previously issued synthetic shares to board members.
- The sale of maximum 26 000 000 series A shares in order to cover the obligations under the performance stock option plans 2017, 2018, 2019, 2020 and 2021.

The 2023 AGM approved a mandate for the Board of Directors to repurchase and sell series A shares on Nasdaq Stockholm in order to fulfill the obligations under the performance stock option plan. The mandate is valid until the next AGM and allows:

- The purchase of not more than 14 810 000 series A shares, whereof a maximum 10 450 000 may be transferred to personnel stock option holders under the performance stock option plan 2023.
- The purchase of not more than 60 000 series A shares, later to be sold on the market in connection with payment to board members who have opted to receive synthetic shares as part of their board fee.
- The sale of not more than 60 000 series A shares to cover costs related to previously issued synthetic shares to board members.
- The sale of maximum 33 000 000 series A shares in order to cover the obligations under the performance stock option plans 2017, 2018, 2019 and 2020.

Repurchases and sales are subject to market conditions, regulatory restrictions, and the capital structure at any given time. During 2024, 5 030 000 series A shares were repurchased while 5 084 699 series A shares were divested in accordance with mandates granted by the 2023 and 2024 AGM. Further information regarding repurchases and sales in accordance with AGM mandates is presented in the table above. The series A shares are held for possible delivery under the 2018–2024 personnel stock option programs.

The series A shares held can be divested over time to cover costs related to the personnel stock option programs, including social insurance charges, cash settlements or performance of alternative incentive solutions in countries where allotment of employee stock options are unsuitable. The total number of shares of series A held by Atlas Copco AB is presented in the table above.

Reserves
Consolidated equity includes certain reserves which are described below:

Hedging reserve comprises the effective portion of net changes in fair value for certain cash flow hedging instruments.

Translation reserve comprises all exchange differences arising from the translation of the financial statements of foreign operations, the translation of intra-group receivables from or liabilities to foreign operations that in substance are part of the net investment in the foreign operations, as well as from the translation of liabilities that hedge the company's net investments in foreign operations.

Non-controlling interest amounts to 60 (50). During 2024, the largest transaction was the acquisition of the remaining part of the non-controlling interest in Presys Co., Ltd. Subsequent to these events there are four subsidiaries that have non-controlling interest. The non-controlling interests are not material to the Group.

Appropriation of profit
The Board of Directors proposes a dividend of SEK 3.00 (2.80) per share, totaling SEK 14 611 841 946 if shares held by the company on December 31, 2024 are excluded.

Retained earnings including reserve for fair value	142 615 979 719
Profit for the year	20 190 711 361
	162 806 691 080
The Board of Directors proposes that these earnings be appropriated as follows:	
To the shareholders, a dividend of SEK 3.00 per share	14 611 841 946
To be retained in the business	148 194 849 134
Total	**162 806 691 080**

The proposed dividend for 2023 amounted of SEK 2.80 per share, as approved by the AGM on April 24, 2024 was accordingly paid by Atlas Copco AB. Total dividend paid amounted to SEK 13 647 094 086.

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20. Borrowings and trade payables

	Maturity	Repurchased nominal amount	2024 Carrying amount	2024 Fair value	2023 Carrying amount	2023 Fair value
Non-current						
Medium Term Note Program MEUR 500	2026		5 731	5 550	5 523	5 215
Medium Term Note Program MEUR 300	2029		3 425	3 052	3 299	2 848
Medium Term Note Program MEUR 500	2032		5 685	4 917	5 473	4 571
Bilateral borrowings EIB MEUR 200	2027		2 293	2 185	2 210	2 099
Bilateral borrowings EIB MEUR 100	2028		1 146	1 076	1 105	1 009
Bilateral borrowings EIB MEUR 415	2030		4 758	4 869	4 586	4 717
Bilateral borrowings EIB MEUR 60	2030		688	704	663	684
Bilateral borrowings NIB MEUR 183	2031		2 098	2 117	2 022	2 053
Other bank loans			696	703	881	850
Less current portion of long-term borrowings			–280	–280	–164	–164
Total non-current bonds and loans			**26 240**	**24 893**	**25 598**	**23 882**
Lease liabilities			5 392	5 392	4 251	4 251
Other financial liabilities			56	56	118	118
Total non-current borrowings			**31 688**	**30 341**	**29 967**	**28 251**
Current						
Current portion of long-term borrowings			280	280	164	164
Short-term loans			1 034	1 034	1 087	1 087
Lease liabilities			1 762	1 762	1 491	1 491
Total current borrowings			**3 076**	**3 076**	**2 742**	**2 742**
Closing balance, Dec. 31			**34 764**	**33 417**	**32 709**	**30 993**

The difference between carrying value and fair value relates to the measurement method as certain liabilities are reported at amortized cost and not at fair value. Changes in interest rates and credit margins create the difference between fair value and amortized cost. See additional information about the Group's exposure to interest rate risk and foreign currency risk in note 26.

Short term loans include supply chain financing contracts with remaining payment terms exceeding 180 days.

Atlas Copco AB's long-term and short-term debt is rated by Standard & Poor's and Fitch with the long-/short-term rating A+/A- and A+/F1+, respectively.

The Group's credit facilities are specified in the table below.

Credit facilities	Nominal amount	Maturity	Utilized
Commercial papers [1] [2]	MSEK 10 000	–	–
Credit-line	MEUR 640	2026	–
Credit-line	MEUR 1000	2026	–
Equivalent in MSEK	**28 802**		**–**

[1] Interest is based on market conditions at the time when the facility is utilized. Maturity is set when the facility is utilized.

[2] The maximum amounts available under these programs total MSEK 10 000 (10 000).

The Group's short-term and long-term borrowings are distributed among the currencies detailed in the table below.

	2024			2023		
Currency	Local currency (millions)	MSEK	%	Local currency (millions)	MSEK	%
EUR	2 498	28 643	82	2 483	27 435	84
SEK	607	607	2	641	641	2
USD	202	2 222	6	151	1 508	5
Others	–	3 292	10	–	3 125	9
Total		**34 764**	**100**		**32 709**	**100**

The following table shows the maturity structure of the Group's borrowings.

Maturity	Fixed	Floating [1]	Carrying amount	Fair value
2025	2 878	198	3 076	3 076
2026	7 240	–	7 240	7 060
2027	3 431	–	3 431	3 323
2028	1 933	–	1 933	1 862
2029	3 983	–	3 983	3 595
2030	418	5 446	5 864	5 991
2031	358	2 098	2 456	2 473
2032	5 946	20	5 966	5 215
2033 and after	642	173	815	822
Total	**26 829**	**7 935**	**34 764**	**33 417**

[1] Floating interest in the table corresponds to borrowings with fixings shorter or equal to six months.

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20. Borrowings and trade payables, continued

2024		Cash changes	Non cash changes							
Reconciliation of liabilities from financing activities	Opening balance, Jan. 1	Financing cash flows	Lease additions	Lease deductions	Business acquisitions and divestments	Change in fair value through P/L	Change in fair value through equity	FX change	Reclassification	Closing balance, Dec. 31
Non-current										
Non-current bonds and loans	25 598	–242	–	–	175	11	603	353	–258	26 240
Lease liabilities	4 251	–	1 801	–98	219	69	–	219	–1 069	5 392
Other financial liabilities	118	–21	–	–	2	2	–	3	–48	56
Total non-current liabilities	**29 967**	**–263**	**1 801**	**–98**	**396**	**82**	**603**	**575**	**–1 375**	**31 688**
Current										
Current portion of long-term borrowings	164	–404	–	–	253	–	–	9	258	280
Short-term loans	1 055	–253	–	–	119	5	–	51	48	1 025
Lease liabilities	1 491	–2 030 [1]	1 040	–93	52	162	–	71	1 069	1 762
Total current liabilities	**2 710**	**–2 687**	**1 040**	**–93**	**424**	**167**	**–**	**131**	**1 375**	**3 067**
Total	**32 677**	**–2 950**	**2 841**	**–191**	**820**	**249**	**603**	**706**	**–**	**34 755**

[1] Includes paid interest on lease liabilities.

2023		Cash changes	Non cash changes							
Reconciliation of liabilities from financing activities	Opening balance, Jan. 1	Financing cash flows	Lease additions	Lease deductions	Business acquisitions and divestments	Change in fair value through P/L	Change in fair value through equity	FX change	Reclassification	Closing balance, Dec. 31
Non-current										
Non-current bonds and loans	20 233	5 141	–	–	482	10	–115	–93	–60	25 598
Lease liabilities	3 505	–	1 539	–99	239	57	–	–150	–840	4 251
Other financial liabilities	32	–2	–	–	108	–	–	–5	–15	118
Total non-current liabilities	**23 770**	**5 139**	**1 539**	**–99**	**829**	**67**	**–115**	**–248**	**–915**	**29 967**
Current										
Current portion of long-term borrowings	3 524	–3 503	–	–	150	–22	–33	–6	54	164
Short-term loans	7 725	–6 864	–	–	53	4	–	116	21	1 055
Lease liabilities	1 314	–1 916 [1]	1 206	–65	46	114	–	–48	840	1 491
Total current liabilities	**12 563**	**–12 283**	**1 206**	**–65**	**249**	**96**	**–33**	**62**	**915**	**2 710**
Total	**36 333**	**–7 144**	**2 745**	**–164**	**1 078**	**163**	**–148**	**–186**	**–**	**32 677**

[1] Includes paid interest on lease liabilities.

Cash flow from financing activities in above tables also includes net "Settlement of CSA" (Credit Support Annex) of MSEK 552 (–309) which is not included in the tables above. In December 2024, the financial liability related to CSA amounted to MSEK 9 (32).

Terms and conditions of Supply Chain Financing
Atlas Copco in collaboration with two banks, offers a Supply Chain Financing (SCF) scheme that enables suppliers to receive payment earlier than the invoice due date. This financing arrangement is currently available only in certain entities within the Group.

Total outstanding supply chain financing at the end of the year	2024	2023
Presented within short-term borrowings	445	648
– of which suppliers have received payment	*416*	*626*
Presented within trade payables	3 235	4 277
– of which suppliers have received payment	*2 840*	*3 969*

Average range of payment due dates	2024	2023
Short-term borrowings that are part of the arrangement	240–300	180–240
Comparable short-term borrowings that are not part of an arrangement	1–60	1–60
Trade payables that are part of the arrangement	60–120	120–180
Comparable trade payables that are not part of an arrangement	1–60	1–60

Changes in supply chain financing during the year	2024
Opening balance, Jan. 1	4 925
Cash changes during the year	–2 517
Non cash changes during the year [1]	1 112
Translation differences	160
Closing balance, Dec. 31	3 680

[1] Non cash changes include additions and cancelations during the year which haven't resulted in any cash flow impact.

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21. Leases

Group as a lessee

Atlas Copco Group´s lease portfolio consists mainly of leased buildings such as offices and warehouses, vehicles and production equipment. There are several lease contracts with extension options and variable lease payments. Carrying amounts and movements of the right-of-use asset are presented in the tables below:

Right-of-use assets, 2024	Buildings and land	Machinery and equipment	Rental equipment	Total
Cost				
Opening balance, Jan. 1	7 563	2 496	10	10 069
Additions	1 644	1 208	–	2 852
Business acquisitions	249	22	–	271
Deductions	–447	–543	–11	–1 001
Reclassifications	–34	–6	5	–35
Translation differences	378	125	–	503
Closing balance, Dec. 31	**9 353**	**3 302**	**4**	**12 659**
Depreciation and impairment losses				
Opening balance, Jan. 1	3 102	1 197	7	4 306
Depreciation and impairment for the period	1 133	720	2	1 855
Deductions	–315	–486	–11	–812
Reclassifications	–31	–6	5	–32
Translation differences	150	59	–	209
Closing balance, Dec. 31	**4 039**	**1 484**	**3**	**5 526**
Carrying amounts, Jan. 1	4 461	1 299	3	5 763
Carrying amounts, Dec. 31	**5 314**	**1 818**	**1**	**7 133**

Right-of-use assets, 2023	Buildings and land	Machinery and equipment	Rental equipment	Total
Cost				
Opening balance, Jan. 1	6 109	2 086	13	8 208
Additions	1 773	975	1	2 749
Business acquisitions	262	12	–	274
Deductions	–295	–484	–5	–784
Reclassifications	–15	–16	–	–31
Translation differences	–271	–77	1	–347
Closing balance, Dec. 31	**7 563**	**2 496**	**10**	**10 069**
Depreciation and impairment losses				
Opening balance, Jan. 1	2 398	1 050	8	3 456
Depreciation and impairment for the period	1 036	600	3	1 639
Deductions	–201	–407	–5	–613
Reclassifications	–17	–11	–	–28
Translation differences	–114	–35	1	–148
Closing balance, Dec. 31	**3 102**	**1 197**	**7**	**4 306**
Carrying amounts, Jan. 1	3 711	1 036	5	4 752
Carrying amounts, Dec. 31	**4 461**	**1 299**	**3**	**5 763**

The following amounts have been recognized in profit or loss:

Leasing in income statement	2024	2023
Depreciation and impairment expense on right-of-use assets	–1 855	–1 639
Interest expense on lease liabilities	–233	–171
Expense relating to leases of low value assets	–92	–83
Expense relating to short-term leases	–164	–191
Expense relating to variable lease payments	–18	–19
Income from subleasing right-of-use assets	2	8
Gains or losses from sale and leaseback transactions	–	–1
Total amount recognized in profit or loss	**–2 360**	**–2 096**

For cash outflows related to leases, the principal payment amounts to 1 872 (1 793) and the interest portion of lease payments to 160 (123). The principal payment is recognized as cash flow from financing activities and the interest portion of the lease payment as cash flow from operating activities, net financial items paid. For further information, see consolidated statements of cash flow and note 20.

Lease contracts that include extension options are mainly related to premises, machinery and equipment. Management uses significant judgement in determining whether these extension options are reasonably certain to be exercised. Extension options reasonably certain to be exercised are included in the lease term. Future cash outflow relating to extension options expected not to be exercised amounts to 115 (118). For leases that have not yet commenced, the future cash outflow amounts to 68 (54).

For carrying amounts and movements of lease liabilities related to the right-of-use assets, see note 20.

The maturity analysis of lease liabilities is disclosed in note 26.

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21. **Leases,** continued

Group as a lessor
As a lessor, the Group has finance and operating lease contracts, see note 1 for further information.

Finance leases – lessor
Atlas Copco Group has equipment which is leased to customers under finance leases. Future payments to be received fall due as follows:

	2024		2023	
	Gross investment	Present value of minimum lease payments	Gross investment	Present value of minimum lease payments
Less than one year	20	17	42	38
Between one and five years	50	41	65	56
More than five years	10	8	8	7
Total	**80**	**66**	**115**	**101**
Unearned finance income	–	7	–	5
Unguaranteed residual value	–	7	–	9
Total	**80**	**80**	**115**	**115**

Operating leases – lessor
Atlas Copco Group has equipment which is leased to customers under operating leases. Future payments for non-cancellable operating leasing contracts fall due as follows:

	2024	2023
Less than one year	115	160
Between one and five years	177	349
More than five years	18	67
Total	**310**	**576**

No contingent rent have been recognized as income in 2024 or 2023.

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22. Employee benefits

Post-employment benefits
Atlas Copco Group provides post-employment defined benefit pensions and other long-term employee benefits in most of its major locations. The most significant countries in terms of size of plans are Belgium, Germany, Sweden, the United Kingdom and the United States. Some plans are funded in advance with certain assets or funds held separately from the Group for future benefit payment obligations. Other plans are unfunded and the benefits from those plans are paid by the Group as they fall due.

The plans in Belgium cover early retirement, jubilee, and termination indemnity. These plans are unfunded.

The plans in Germany cover pensions, early retirements and jubilee. The plans are funded.

There are three defined benefit pension plans in Sweden. The ITP plan is a final salary pension plan covering the majority of white-collar employees in Sweden. Atlas Copco Group finances the benefits through a pension foundation. The second plan relates to a group of employees earning more than ten income base amounts that has opted out from the ITP plan. This plan is insured. The third defined benefit pension plan relates to former senior employees now retired. In Sweden, in addition to benefits relating to retirement pensions, Atlas Copco Group has obligations for family pensions for many of the Swedish employees, which are funded through a third-party insurer, Alecta. This plan is accounted for as a defined contribution plan as sufficient information for calculating the net pension obligation is not available.

In the United Kingdom, there is a final salary pension plan. This plan is funded. In 2010, the plan was converted to a defined contribution plan for future services.

In the United States, Atlas Copco Group provides a pension plan, a post-retirement medical plan, and a number of supplemental retirement pension benefits for executives. The pension plan is funded while the other plans are unfunded.

The Group identifies a number of risks in investments of pension plan assets. The main risks are interest rate risk, market risk, counterparty risk, liquidity and inflation risk, and currency risk. The Group is working on a regular basis to handle the risks and has a long-term investment horizon. The investment portfolio should be diversified, which means that multiple asset classes, markets and issuers should be utilized. An asset and liability management assessment should be conducted periodically. The study should include a number of elements. The most important elements are the duration of the assets and the timing of liabilities, the expected return of the assets, the expected development of liabilities, the forecasted cash flows and the impact of a shift in interest rates on the obligation.

The net obligations for post-employment benefits and other long-term employee benefits have been recorded in the balance sheet as follows:

	2024	2023
Financial assets (note 14)	–1 432	–1 132
Post-employment benefits	2 740	2 584
Other provisions (note 24)	151	122
Closing balance, net	**1 459**	**1 574**

The tables below show the Group's obligations for post-employment benefits and other long-term employee benefits, the assumptions used to determine these obligations and the assets relating to these obligations for employee benefits, as well as the amounts recognized in the income statement and the balance sheet. The net amount recognized in the balance sheet amounted to 1 459 (1 574). The weighted average duration of the obligation is 12.4 (12.3) years.

Post-employment benefits					
2024	Funded pension plans	Unfunded pension plans	Other funded plans	Other unfunded plans	**Total**
Present value of defined benefit obligations	8 996	1 463	93	331	10 883
Fair value of plan assets	–9 507	–	–119	–	–9 626
Present value of net obligations	**–511**	**1 463**	**–26**	**331**	**1 257**
Effect of asset ceiling	164	–	–	–	164
Other long-term service obligations	–	–	38	–	38
Net amount recognized in the balance sheet	**–347**	**1 463**	**12**	**331**	**1 459**

Post-employment benefits					
2023	Funded pension plans	Unfunded pension plans	Other funded plans	Other unfunded plans	**Total**
Present value of defined benefit obligations	8 494	1 380	80	165	10 119
Fair value of plan assets	–8 583	–	–92	–	–8 675
Present value of net obligations	**–89**	**1 380**	**–12**	**165**	**1 444**
Effect of asset ceiling	101	–	–	–	101
Other long-term service obligations	–	–	29	–	29
Net amount recognized in the balance sheet	**12**	**1 380**	**17**	**165**	**1 574**

Plan assets consist of the following:	**2024**			
	Quoted market price	Unquoted market price	**Total**	**2023**
Debt instruments	1 268	366	1 634	1 216
Equity instruments	880	344	1 224	1 323
Property	1 386	340	1 726	1 501
Assets held by insurance companies	130	1 777	1 907	1 721
Cash	696	–	696	485
Investment funds	830	663	1 493	1 361
Derivatives	500	13	513	506
Others	36	397	433	562
Closing balance, Dec. 31	**5 726**	**3 900**	**9 626**	**8 675**

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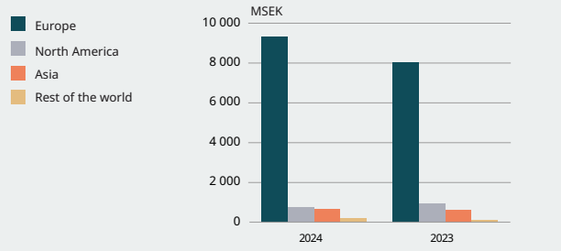
22. **Employee benefits,** continued

Movements in plan assets	2024	2023
Fair value of plan assets at Jan. 1	8 675	8 837
Business acquisitions	4	10
Interest income	327	352
Remeasurement – return on plan assets	398	–372
Settlements	–9	–33
Employer contributions	213	222
Plan members contributions	21	20
Administrative expenses	–18	–17
Benefit paid by the plan	–366	–336
Translation differences	381	–8
Fair value of plan assets, Dec. 31	**9 626**	**8 675**

The plan assets are allocated among the following geographic areas:	2024	2023
Europe	8 356	7 540
North America	668	559
Asia	602	576
Total	**9 626**	**8 675**

Asset ceiling	2024	2023
Asset ceiling at Jan. 1	101	175
Interests	2	4
Remeasurements – asset ceiling	58	–85
Translation differences	3	7
Asset ceiling, Dec. 31	**164**	**101**

The defined benefit obligations for employee benefits consist of plans in the following geographic areas:



Movements in present value of the obligations for defined benefits	2024	2023
Defined benefit obligations at Jan. 1	10 119	9 667
Current service cost	359	308
Past service cost	25	1
Interest expense (+)	388	375
Actuarial gains (–)/ losses (+) arising from experience adjustments	274	333
Actuarial gains (–)/ losses (+) arising from financial assumptions	–116	239
Actuarial gains (–)/ losses (+) arising from demographic assumptions	–21	–85
Business acquisitions	102	41
Settlements	–9	–37
Benefits paid from plan or company assets	–690	–655
Translation differences	452	–68
Defined benefit obligations, Dec. 31	**10 883**	**10 119**

Remeasurements recognized in other comprehensive income amounted to 218 (–753) and 15 (21) in profit and loss. The Group expects to pay 542 (476) in contributions to defined benefit plans in 2024.

Expenses recognized in the income statement	2024	2023
Current service cost	359	308
Past service cost	25	1
Net interest cost	61	23
Employee contribution/ participant contribution	–21	–20
Remeasurement of other long-term benefits	14	21
Administrative expenses	18	17
Total	**456**	**350**

The total benefit expense for defined benefit plans amounted to 456 (350), whereof 395 (327) have been charged to operating expenses and 61 (23) to financial expenses. Expenses related to defined contribution plans amounted to 1 544 (1 471).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages in %)	2024	2023
Discount rate		
Europe	3.52	3.51
North America	5.41	5.14
Asia	4.60	4.78
Future salary increases		
Europe	2.66	2.56
North America	5.00	5.00
Asia	5.91	5.57
Medical cost trend rate		
North America	4.50	4.50

The Group has identified discount rate, future salary increases, and mortality as the primary actuarial assumptions for determining defined benefit obligations. Changes in those actuarial assumptions affect the present value of the net obligation. The discount rate is determined by reference to market yields at the balance sheet date using, if available, high quality corporate bonds (AAA or AA) matching the duration of the pension obligations. In countries where corporate bonds are not available, government bonds are used to determine the discount rate. In Sweden in line with prior years, mortgage bonds are used for determining the discount rate.

Atlas Copco Group's mortality assumptions are set by country, based on the most recent mortality studies that are available. Where possible, generational mortality assumptions are used, meaning that they include expected improvements in life expectancy over time.

The table below shows the sensitivity analysis for discount rate and increase in life expectancy and describes the potential effect on the present value of the defined pension obligation.

Sensitivity analysis	Europe	North America	Asia
Change in discount rate +0.5%	–546	–23	–42
Change in discount rate –0.5%	585	25	44
Increase in life expectancy, +1 year	260	16	–

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22. **Employee benefits,** continued

Share value based incentive programs
The purpose of the share value based incentive programs is to strengthen the alignment of interest of the Group's key employees with those of the shareholders and thus create an interest in a good value development of the shares of the Company and to align performance in a manner that enhances such development. The purpose is also to facilitate recruitment and retention of key employees with the right mindset and competences.

As described more in detail below, in 2024 the Group has implemented a performance-based employee stock option plan which is directed at a maximum 500 key employees. Participation in the plan is based on position, qualification and individual performance and the nominated employees are divided into four categories, with different amounts of maximum allotment of options. The allotment of options will take place in March 2025 and varies linear from zero to 100% depending on the value creation in the Group during 2024. The exercise prices will be determined in February 2025 and since the exercise price of stock options is set with a premium, there is no economic value for the key employee unless the shareholder value increases during the vesting period. Subject to continued employment, the options are exercisable earliest three years from granting and exercise is only possible when the market price is higher than the exercise price thus promoting a focus on the Group's sustained growth.

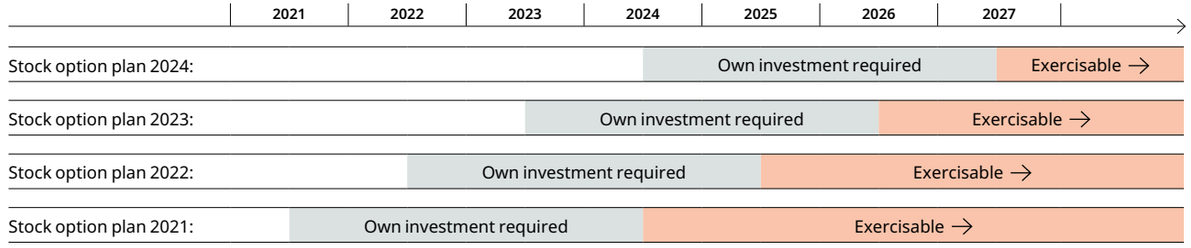
Since the Board believes that it is of particular importance to the shareholders that Group Management and division president have a long-term interest in the good value development of the share of the company, there is a prerequisite for this group to invest in Atlas Copco AB shares to participate in the performance-based employee stock option plan. Those who invest will get, in addition to proportional participation in the stock option plan, one matching option for each share invested under the plan. Subject to continued employment and continued ownership of the invested shares during the vesting period, the matching options are exercisable earliest three years from granting. Consequently, and subject to continued employment, there is a prerequisite for Group Management and division president to always hold invested shares under three consecutive plans.

Performance-based employee stock option plan 2017–2023
In 2017–2023, the Annual General Meeting decided on performance-based employee stock option plans based on a proposal from the Board for the respective years. The terms and conditions of these plans are in all material aspects similar to the terms and conditions of the performance-based employee stock option plan for 2024 in the Group, as described below. The performance criteria of the performance-based employee stock option plan which expired in 2024 was met at the level of 100%.

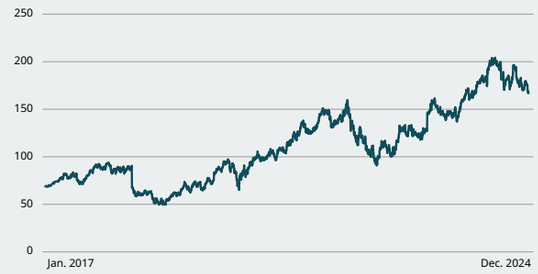
Performance-based employee stock option plan 2024
At the Annual General Meeting 2024, it was decided to implement a performance-based employee stock option plan for 2024, which is similar in structure to the previous stock option plans approved by the Annual General Meeting. The plan is directed at a maximum 500 key employees in Atlas Copco Group who will have the possibility to acquire a maximum of 7 909 235 series A shares in Atlas Copco AB. The allotment of options is dependent on the value increase of the Group, measured as Economic Value Added (EVA, defined as the sum of adjusted operating profit and interest income less tax expenses and cost of capital) during 2024. In an interval of SEK 5 500 000 000, the allotment varies linear from zero to 100% of the maximum number of options. Participation in the plan is based on position, qualifications and individual performance and the nominated employees are divided into four categories, with different amounts of maximum allotment of options. The size of the plan and the limits of the interval have been established by the Board and have been approved by the Annual General Meeting and are compatible with the long-term business plan of the Group.

In connection to the allotment, which will take place no later than March 20, 2025, the exercise price shall be set to an amount corresponding to 110% of the average of the closing rates on Nasdaq Stockholm of Atlas Copco AB series A shares during a period of ten business days next following the date

Own investment for Group Management and division presidents

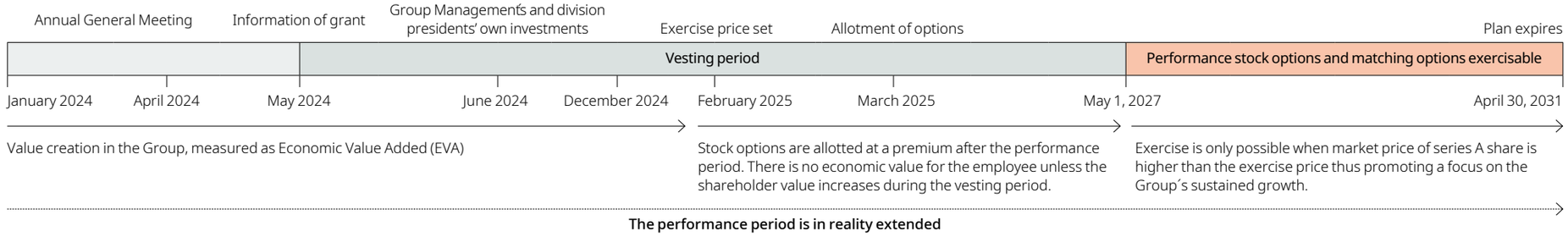


Share price development 2017–2024



Performance-based employee stock option plan 2024

Participation in the plan is based on position, qualification and individual performance



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22. **Employee benefits,** continued

of the publishing of the full-year summary for 2024. Hence, there is no economic value for the key employees unless the shareholder value increases during the vesting period. The options are not transferable and they remain the property of the employee only to the extent that they are exercisable at the time employment is terminated. The term of the options shall be seven years and the options are exercisable earliest three years from granting. Exercise is only possible when the market price of the Atlas Copco AB series A share is higher than the exercise price thus promoting a focus on the Group's sustained growth. A single payment/assignment of shares under the plan can never exceed four times the value of the exercise price.

Since the Board believes that it is of particular importance to the shareholders that Group Management and division president have a long-term interest in the good value development of the share of the company, there is a requirement regarding own investment. As a prerequisite for the full participation in the performance-based employee stock option plan 2024, Group Management and division presidents have to invest 10% of their respective base salary for 2024 (20% for expatriates with net salary), before tax, in Atlas Copco AB series A shares. A lower amount of investment will reduce the number of performance stock options proportionately. Further, Group Management and division presidents who have chosen to invest in Atlas Copco AB series A shares will get, in addition to the proportional participation in the plan, allocation of matching options, corresponding to the number of shares acquired under 2024. The matching options can be redeemed no earlier than three years after granting, at an exercise price that corresponds to 75% of the average of the closing rates of Atlas Copco AB series A shares during a period of ten business days next following the date of the publishing of the full-year summary for 2024, subject to continued employment and continued ownership of the shares. If the number of acquired shares has been reduced prior to the date when matching options become exercisable, the right to matching options is reduced on a share by share basis.

The Board has the right to introduce an alternative incentive plan for key employees in such countries where the granting of stock options is not feasible. Such alternative incentive solutions shall, to the extent possible, have same terms and conditions corresponding to the ones applicable to the performance-based stock option plan.

The Black-Scholes model is used to calculate the fair value of the options and share appreciation rights (alternative incentive plan) in the programs at date of allotment. For the programs in 2023 and 2024, the fair value of the options and share appreciation rights was based on the following assumptions:

Key assumptions	2024 Program (Dec. 31, 2024)	2023 Program (at date of allotment)
Expected exercise price	SEK 186/127 [1]	SEK 184/126 [1] [2]
Expected volatility	30%	30%
Expected options life (years)	4.3	4.1
Expected share price	SEK 168.85	SEK 171.17
Expected dividend (growth)	SEK 2.96 (6%)	SEK 2.8 (6%)
Risk free interest rate	2.1%	2.5%
Expected average grant value	SEK 33.17/54.81	SEK 41.69/65.95
Maximum number of options	7 909 235	10 302 190
– of which forfeited [3]	–117 435	–165 828
Number of matching options	79 888	96 829

[1] Matching options for Group Management and division presidents
[2] Actual
[3] Based on estimated allotment

The expected volatility has been determined by analyzing the historic development of the Atlas Copco AB A share price as well as other shares on the stock market.

When determining the expected option life, assumptions have been made regarding the expected exercising behavior of different categories of optionees.

For the stock options in the 2018–2024 programs, the fair value is recognized as an expense over the following vesting periods:

Program	Vesting period		Exercise period	
Stock options	From	To	From	To
2018	May 2018	April 2021	May 2021	April 2025
2019	May 2019	April 2022	May 2022	April 2026
2020 [1]	N/A	N/A	N/A	N/A
2021	May 2021	April 2024	May 2024	April 2028
2022	May 2022	April 2025	May 2025	April 2029
2023	May 2023	April 2026	May 2026	April 2030
2024	May 2024	April 2027	May 2027	April 2031

[1] No allotment of stock options as the EVA target for the Group was not met.

For the 2024 program, a new valuation of the fair value has been made and will be made at each reporting date until the date of allotment.

For share appreciation rights and stock options classified as cash-settled, the fair value is recognized as an expense over the same vesting period; the fair value is, however, remeasured at each reporting date and changes in the fair value after the end of the vesting period continue to be recognized as a personnel expense.

In accordance with IFRS 2, the expense in 2024 for all share-based incentive programs, excluding social costs, amounted to 304 (370) of which 253 (165) refer to equity-settled options. The related costs for social security contributions are accounted for in accordance with the statement from the Swedish Financial Reporting Board (UFR 7) and are classified as personnel expenses.

In the balance sheet, the provision for share appreciation rights and stock options classified as cash-settled as of December 31 amounted to 200 (263). Atlas Copco Group shares are held by the Parent Company in order to cover commitments under the programs 2018–2024, see also note 19.

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22. **Employee benefits,** continued

Summary of share value based incentive programs

Program	Initial number of employees	Initial number of options	Expiration date	Exercise price, SEK	Type of share	Fair value at date of allotment	Intrinsic value for vested SARs
Stock options							
2017	262	12 416 688	Apr. 30, 24	70.37	A	11.85	–
2018	269	9 786 066	Apr. 30, 25	64.77	A	14.40	–
2019	267	13 628 104	Apr. 30, 26	96.42	A	13.86	–
2021	289	6 904 551	Apr. 30, 28	144.76	A	15.80	–
2022	414	7 965 604	Apr. 30, 29	139.00	A	25.29	–
2023	408	8 586 457	Apr. 30, 30	184.00	A	41.69	–
Matching options							
2017	34	149 737	Apr. 30, 24	48.00	A	20.01	–
2018	29	169 599	Apr. 30, 25	44.16	A	22.77	–
2019	30	112 564	Apr. 30, 26	65.76	A	24.09	–
2020	31	117 829	Apr. 30, 27	87.59	A	43.29	–
2021	32	94 951	Apr. 30, 28	98.63	A	29.93	–
2022	32	86 840	Apr. 30, 29	95.00	A	42.09	–
2023	31	96 829	Apr. 30, 30	126.00	A	65.95	–
Share appreciation rights							
2017	61	2 473 914	Apr. 30, 24	70.37	A	–	98.48
2018	57	1 769 052	Apr. 30, 25	64.77	A	–	104.08
2019	62	2 659 552	Apr. 30, 26	96.42	A	–	72.43
2021	44	855 181	Apr. 30, 28	144.76	A	–	24.09
2022	77	1 285 040	Apr. 30, 29	139.00	A	–	–
2023	87	1 549 905	Apr. 30, 30	184.00	A	–	–

Number of options/rights 2024 [1]

Program	Outstanding Jan. 1	Conversion options/ rights [2]	Exercised	Expired/ forfeited	Outstanding Dec. 31	*–of which exercisable*	Time to expiration, in months	Average stock price for exercised options, SEK
Stock options								
2017	700 235	–39 904	660 331	–	–	–	–	170
2018	3 377 604	–78 105	1 589 713	–	1 709 786	*1 709 786*	4	186
2019	8 458 016	–171 584	2 009 979	–	6 276 453	*6 276 453*	16	186
2021	6 581 245	–112 464	787 985	37 488	5 643 308	*5 643 308*	40	194
2022	7 859 084	–144 000	–	160 000	7 555 084	–	52	–
2023	8 586 457	–	–	34 950	8 551 507	–	64	–
Matching options								
2017	7 001	–	7 001	–	–	–	–	175
2018	54 167	–	14 980	–	39 187	*39 187*	4	186
2019	60 107	–	10 672	–	49 435	*49 435*	16	193
2020	86 652	–	3 582	–	83 070	*83 070*	28	195
2021	90 461	–	5 817	–	84 644	*84 644*	40	195
2022	84 644	–	–	–	84 644	–	52	–
2023	96 829	–	–	–	96 829	–	64	–
Share appreciation rights								
2017	369 755	39 904	409 659	–	–	–	–	176
2018	484 143	78 105	305 915	–	256 333	*256 333*	4	181
2019	1 010 518	171 584	302 953	–	879 149	*879 149*	16	183
2021	836 437	112 464	179 196	37 488	732 217	*732 217*	40	194
2022	1 269 040	144 000	–	80 000	1 333 040	–	52	–
2023	1 549 905	–	–	69 900	1 480 005	–	64	–

[1] All numbers have been adjusted for the effect of the distribution of Epiroc and the redemption in 2018 and the share split and redemption in 2022 in line with the method used by NASDAQ Stockholm to adjust exchange-traded options contracts.

[2] Change in South Korea with reference to the terms and conditions.

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22. **Employee benefits,** continued

Number of options/rights 2023 [1]

Program	Outstanding Jan. 1	Allotted	Exercised	Expired/ forfeited	Outstanding Dec. 31	*–of which exercisable*	Time to expiration, in months	Average stock price for exercised options, SEK
Stock options								
2016	1 473 840	–	1 473 840	–	–	–	–	123
2017	2 645 566	–	1 945 331	–	700 235	*700 235*	4	154
2018	5 560 398	–	2 182 794	–	3 377 604	*3 377 604*	16	155
2019	12 659 531	–	4 201 515	–	8 458 016	*8 458 016*	28	156
2021	6 735 855	–	–	154 610	6 581 245	–	52	–
2022	7 965 604	–	–	106 520	7 859 084	–	64	–
2023	–	8 586 457	–	–	8 586 457	–	76	–
Matching options								
2016	27 310	–	27 310	–	–	–	–	129
2017	42 097	–	35 096	–	7 001	*7 001*	4	152
2018	120 788	–	66 621	–	54 167	*54 167*	16	154
2019	101 626	–	41 519	–	60 107	*60 107*	28	161
2020	111 382	–	24 730	–	86 652	*86 652*	40	161
2021	94 951	–	–	4 490	90 461	–	52	–
2022	86 840	–	–	2 196	84 644	–	64	–
2023	–	96 829	–	–	96 829	–	76	–
Share appreciation rights								
2016	887 788	–	887 788	–	–	–	–	125
2017	1 053 155	–	683 400	–	369 755	*369 755*	4	153
2018	635 102	–	150 959	–	484 143	*484 143*	16	156
2019	1 564 152	–	553 634	–	1 010 518	*1 010 518*	28	152
2021	855 181	–	–	18 744	836 437	–	52	–
2022	1 285 040	–	–	16 000	1 269 040	–	64	–
2023	–	1 549 905	–	–	1 549 905	–	76	–

[1] All numbers have been adjusted for the effect of the distribution of Epiroc and the redemption in 2018 and the share split and redemption in 2022 in line with the method used by NASDAQ Stockholm to adjust exchange-traded options contracts.

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23. Other liabilities

Fair value of other liabilities corresponds to carrying value.

Other current liabilities	2024	2023
Derivatives:		
– at fair value through profit and loss	94	721
Other financial liabilities:		
– other liabilities	3 399	3 062
– accrued expenses	12 632	11 052
Prepaid income other	309	59
Contract liabilities:		
– advances from customers	9 780	9 241
– deferred revenues construction contracts	1 135	901
– deferred revenues service contracts	2 990	2 730
Closing balance, Dec. 31	**30 339**	**27 766**

Accrued expenses include items such as social costs, vacation pay liability, accrued interest, and accrued operational expenses. See note 26 for information on the Group's derivatives.

The amounts included in contract liabilities at the beginning of the year have been recognized as revenue during the year except for 995 (876). The main reason for revenues not recognized during the year is that they are related to performance obligations that will be performed in future periods.

As of the end of 2024, transaction price allocated to remaining performance obligations was 30 200 (24 978) and the majority will be recognized as revenue over the next three years. The transaction price does not include consideration that is constrained.

24. Provisions

2024	Product warranty	Restructuring	Other	Total
Opening balance, Jan. 1	1 700	139	2 452	4 291
During the year:				
– provisions made	1 586	323	346	2 255
– provisions used	–1 182	–124	–508	–1 814
– provisions reversed	–275	–8	–249	–532
Business acquisitions	22	–	27	49
Translation differences	88	6	49	143
Closing balance, Dec. 31	**1 939**	**336**	**2 117**	**4 392**
Non-current	297	32	1 314	1 643
Current	1 642	304	803	2 749
Total	**1 939**	**336**	**2 117**	**4 392**

2023	Product warranty	Restructuring	Other	Total
Opening balance, Jan. 1	1 472	137	1 621	3 230
During the year:				
– provisions made	1 630	104	1 388	3 122
– provisions used	–1 160	–80	–365	–1 605
– provisions reversed	–206	–11	–166	–383
Business acquisitions	26	–	17	43
Translation differences	–62	–11	–43	–116
Closing balance, Dec. 31	**1 700**	**139**	**2 452**	**4 291**
Non-current	273	32	1 387	1 692
Current	1 427	107	1 065	2 599
Total	**1 700**	**139**	**2 452**	**4 291**

Maturity 2024	Product warranty	Restructuring	Other	Total
Less than one year	1 642	304	803	2 749
Between one and five years	287	24	903	1 214
More than five years	10	8	411	429
Total	**1 939**	**336**	**2 117**	**4 392**

In 2024, a partial release of 65 was recorded related to a provision of 606 made in 2023 in regard to a commercial dispute originating from an agreement dating back to before the current Group structure and the split of the Group in 2018.

Other provisions consist primarily of amounts related to share-based payments including social fees, other long-term employee benefits (see note 22), and asset restoration obligations.

25. Assets pledged and contingent liabilities

Assets pledged for debts to credit institutions and other commitments	2024	2023
Inventory and property, plant and equipment	62	20
Endowment insurances	209	205
Total	**271**	**225**

Contingent liabilities	2024	2023
Notes discounted	18	13
Sureties and other contingent liabilities	221	287
Total	**239**	**300**

Sureties and other contingent liabilities relate primarily to pension commitments and commitments related to customer claims and various legal matters.

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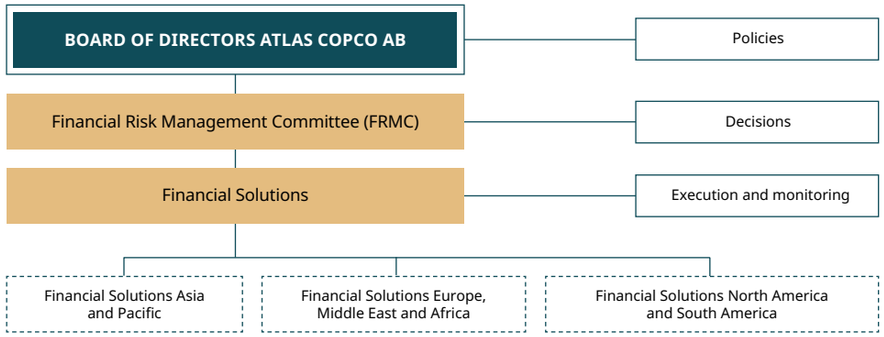
26. Financial exposure and principles for control of financial risks

FINANCIAL RISKS

The Group is exposed to various financial risks in its operations. These financial risks include: Funding and liquidity risk, Interest rate risk, Currency risk, Credit risk and Other market and price risks.

The Board of Directors establishes the overall financial policies and monitors compliance with the policies. The Group's Financial Risk Management Committee (FRMC) manages the Group's financial risks within the mandate given by the Board of Directors. The members of the FRMC are the CEO, CFO and Group Treasurer. The FRMC meets on a quarterly basis or more often if circumstances require.

Financial Solutions has the operational responsibility for financial risk management in the Group. Financial Solutions manages and controls financial risk exposures, ensures that appropriate financing is in place through loans and committed credit facilities, and manages the Group's liquidity.

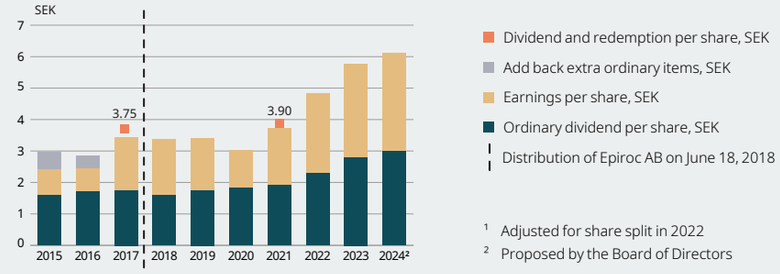


Capital management

Atlas Copco Group defines capital as borrowings and equity, which at December 31 totaled 148 524 (124 209). The Group's policy is to have a capital structure to maintain investor, creditor and market confidence and to support future development of the business. The Board's ambition is that the annual dividend shall correspond to about 50% of earnings per share. In recent years, the Board has sometimes also proposed, and the Annual General Meeting has approved, distributions of "excess" equity to the shareholders through share redemptions, and share repurchases.

There are no external capital requirements imposed on the Group.

Earnings and distribution per share [1]



[1] Adjusted for share split in 2022
[2] Proposed by the Board of Directors

Funding and liquidity risk

Funding risk is the risk that the Group does not have access to adequate financing on acceptable terms at any given point in time. Liquidity risk is the risk that the Group does not have access to its funds, when needed, due to poor market liquidity.

Policy

The Group's policy refers to Atlas Copco AB and Atlas Copco Finance DAC as external borrowings mainly have been held in these entities.

- The Group should maintain minimum MSEK 8 000 committed credit facilities to meet operational, strategic and rating objectives.
- The average tenor, time to maturity, of the Group's external debt, shall be at least three years.
- No more than MSEK 8 000 of the Group's external debt may mature within the next 12 months.
- Adequate funding at subsidiary level shall at all times be in place.

Status at year end

As per December 31, there were no deviations from the Group's policy.

Funding and liquidity risk	2024	2023
Committed credit facilities	18 802	18 124
Cash and cash equivalents	18 968	10 887
Average tenor, years	4.7	5.7
Current external debt	280	164

The overall liquidity of the Group is strong considering the maturity profile of the external borrowings, the balance of cash and cash equivalent as of year end, and available back-up credit facilities from banks. Please refer to note 20 for information on utilized borrowings, maturity, and back-up facilities.

The following cash flow table shows the maturity structure of the Group's financial liabilities. The figures shown are contractual undiscounted cash flows based on contracted date when the Group is liable to pay, including both interest and nominal amounts. The short-term assets are well matched with the short-term liabilities in terms of maturity. Furthermore, the Group has back-up facilities with maturity 2026 to secure liquidity.

Financial instruments	Up to 1 year	1–3 years	4–5 years	Over 5 years
Bonds and loans	–	8 840	5 298	13 832
Lease liabilities	–	2 604	1 310	1 669
Other financial liabilities	–	30	22	4
Other liabilities	–	227	21	10
Non-current financial liabilities	**–**	**11 701**	**6 651**	**15 515**
Bonds and loans	1 431	–	–	–
Lease liabilities	1 810	–	–	–
Current portion of interest-bearing liabilities	280	–	–	–
Derivatives	94	–	–	–
Other accrued expenses	12 632	–	–	–
Trade payables	16 788	–	–	–
Other liabilities	3 399	–	–	–
Current financial liabilities	**36 434**	**–**	**–**	**–**
Financial liabilities	**36 434**	**11 701**	**6 651**	**15 515**

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26. Financial exposure and principles for control of financial risks, continued

Interest rate risk

Interest rate risk is the risk that the Group is negatively affected by changes in the interest rate levels.

Policy

The Group's policy states that the average interest duration (i.e. period for which interest rates are fixed) should be a minimum of 6 months and without a maximum limit.

Status at year end

The Group's borrowings have a mix of fixed and floating rates. No interest rate swaps are used to convert interest. For more information about the Group's borrowings, see note 20.

Interest risk	2024	2023
Effective interest rate on bonds and loans	1.4%	1.6%
Effective interest rate on lease liabilities	3.3%	3.0%
Duration (months)	37	45

29% (29) of the Group's bonds and loans have floating interest rates. A shift of one percentage point upward of all floating rates would impact the Group's interest net with –75 (–73). Same shift downwards would impact the Group's interest net with 75 (73).

The book value of the Group's bonds and loans are not exposed to market interest rate risk at year end as all bonds and loans are reported at amortized cost, compared to if borrowings were reported at fair value where cash flows are discounted using market interest rate.

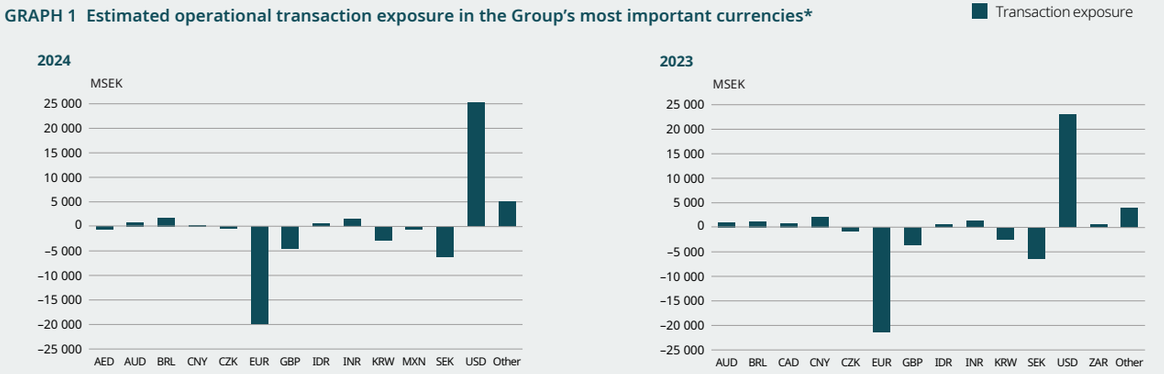
Currency risk

The Group is present in various geographical markets and undertakes transactions denominated in foreign currencies and is consequently exposed to exchange rate fluctuations. The exposure occurs in relation to payments in foreign currency (transaction exposure) and when translating foreign subsidiaries' balance sheets and income statements into SEK (translation exposure).

Transaction exposure risk

Transaction exposure risk is the risk that profitability is negatively affected by changes in exchange rates, affecting cash flows in foreign currencies in the operations. Due to the Group's global presence, there are inflows and outflows in different currencies. As a normal part of business, net surpluses or deficits in specific currencies emerge. The values of these net positions fluctuate subject to changes in currency rates and, thus, render transaction exposure for the Group.

GRAPH 1 Estimated operational transaction exposure in the Group's most important currencies*



* Without adjustments for onetime effects.

Policy

The Group's policy states that exposure shall be reduced by matching in- and outflows of the same currencies. Business area and divisional management are responsible for maintaining readiness to adjust their operations (price and cost) to compensate for adverse currency movements. Based on the assumption that hedging does not have any significant effect on the Group's long-term result, the policy recommends to leave transaction exposures unhedged on an ongoing basis. In general, business areas and divisions shall not hedge currency risks. The FRMC can decide to hedge part of the transaction exposure. Transactions shall then qualify for hedge accounting in accordance with IFRS Accounting Standards and hedging beyond 18 months is not allowed. Financial transaction exposure is substantially hedged.

Status at year end

The Group has continued to manage transaction exposures primarily by matching in- and outflows in the same currencies. Graph 1 shows the net of in- and outflows per currency for currencies which have the largest surplus or deficit. The operational transaction exposure is defined as the net operational cash flow exposure and amounts to –6 287 (–6 455). The estimated amounts are based on the Group's operational external payments from customers and to suppliers.

The transaction exposure sensitivity analysis is based on the operational transaction exposure. It shows how the cash flow and profit before tax would theoretically be impacted by a five percentage point change in SEK, USD or EUR, against all other currencies. The analysis is based on the assumption that no hedging transaction has been undertaken and is done before any impact of offsetting price adjustments or similar measures.

As an example, the net transaction exposure of in-and outflow payments in EUR is a deficit as shown in graph 1. A strengthening in the EUR currency rate against all other currencies with +5% would have a negative impact on the cash flow and profit before tax of –993 and a weakening would have a positive impact of 993.

Transaction exposure sensitivity	2024	2023
SEK exchange rate + 5%	–314	–323
USD exchange rate + 5%	1 269	1 157
EUR exchange rate + 5%	–993	–1 075

Translation exposure risk

Translation exposure risk is the risk that the value of the Group's net investments in foreign currencies is negatively affected by changes in exchange rates. The Group's global presence creates currency effects when subsidiaries' financial statements with functional currencies other than SEK are translated to SEK in the Group's consolidated financial statements. Translation of subsidiaries' profit affects the Group's profit and balance sheet translation affect other comprehensive income. The translation exposure is measured as the net of assets and liabilities in a specific currency.

Policy

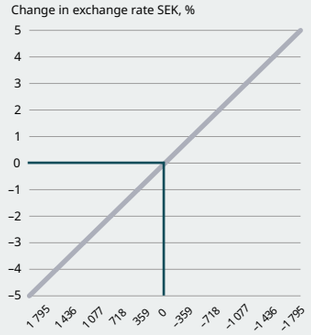
The Group's policy states that translation exposure should be reduced by matching assets and liabilities in the same currencies. The FRMC can decide to hedge part or all remaining translation exposure. Any hedge of translation exposure shall qualify for hedge accounting in accordance with IFRS Accounting Standards.

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26. Financial exposure and principles for control of financial risks, continued

Status at year end
Graph 2 shows the Group's sensitivity to currency translation effects when earnings of foreign subsidiaries are translated to SEK. A five percentage points upward change in SEK would impact the Group's profit before tax with –1 795 (–1 710).

GRAPH 2
Translation effect on profit before tax



The Group has hedged part of the translation exposure using loans and foreign exchange forward contracts. The hedges have reduced the exposure on net investments in EUR in the consolidated financial statements and the exchange rate risk related to net assets in subsidiaries. The hedges are designated as net investment hedges in the consolidated financial statements.

The financial instruments shown in the table below are used to hedge EUR-denominated net assets.

Outstanding financial instruments related to translation exposure	2024		2023	
	Effect in OCI	Nominal amount	Effect in OCI	Nominal amount
Loans in EUR [1]	MSEK –1 013	MEUR 1 458	MSEK –534	MEUR 1 458

[1] In the balance sheet, loans designated as net investment hedges are reported at amortized cost and not at fair value.

Most of the Group´s bonds and loans are designated as net investments hedges, and movements in currency rates are accounted for in other comprehensive income. A five percentage points upward change in EUR against SEK would affect other comprehensive income with 663 (639), see also note 1, section 'Financial assets and liabilities – financial instruments'.

Credit risk
Credit risk can be divided into operational and financial credit risk. These risks are described further in the following sections.

Operational credit risk
Operational credit risk is the risk that the Group's customers do not meet their payment obligations.

Policy
The Group's operational credit risk policy is that business areas, divisions and individual business units are responsible for the commercial risks arising from their operations. The operational credit risk is measured as the net aggregate value of receivables on a customer.

Status at year end
The table below shows the total credit risk exposure related to assets classified as financial instruments as per December 31.

Credit risk	2024	2023
Receivables at amortized cost:		
– trade receivables	33 834	32 708
– lease receivables	73	110
– other financial receivables	163	691
– other receivables	3 508	3 029
– contract assets	6 218	5 699
– cash and cash equivalents	18 968	10 887
Financial assets at fair value through OCI	1	1
Financial assets at fair value through profit or loss	426	425
Derivatives	78	108
Total	**63 269**	**53 658**

Since the Group's sales are dispersed among many customers, of whom no single customer represents a significant share of the Group's commercial risk, the monitoring of commercial credit risks is primarily done at the business area, divisional or business unit level. Each business unit is required to have an approved commercial risk policy.

Provision for credit risks
The business units establish provisions for their expected credit losses in respect of trade and other receivables. The IFRS 9 expected credit loss (ECL) model is forward looking and a loss allowance is recognized when there is an exposure to credit risk. For assets such as trade receivables, lease receivables, contract assets and certain other financial receivables, the simplified model is applied. The main components of this provision are specific loss provisions corresponding to individually significant exposures as well as historical loss rates in combination with forward looking considerations. Lease receivables, certain other financial receivables and cash and cash equivalents are impaired by a rating method, where ECL is measured by the product of the probability of default, loss given default, and exposure at default. At year end 2024, the provision for bad debt amounted to 3.7% (3.2) of gross total customer receivables.

The following table presents the gross value of trade receivables, both current and non-current, by maturity, together with the related impairment provisions.

	2024		2023	
Trade receivables	Gross	Impairment	Gross	Impairment
Not past due	26 264	4	25 591	1
Past due but not individually impaired				
0–30 days	3 774	–	3 424	–
31–60 days	1 507	–	1 463	–
61–90 days	740	–	730	–
More than 90 days	2 320	–	2 220	–
Past due and individually impaired				
0–30 days	13	5	2	1
31–60 days	3	3	3	2
61–90 days	63	7	14	7
More than 90 days	446	398	339	315
Collective impairment	–	879	–	752
Total	**35 130**	**1 296**	**33 786**	**1 078**

Based on historical default statistics and the diversified customer base, the credit risk is assessed to be limited.

The gross amount of lease receivables amounted to 74 (110), of which 1 (0) have been impaired, and the gross amount of other financial receivables amounted to 164 (692), of which 1 (1) have been impaired.

There are no significant amounts past due that have not been impaired.

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26. Financial exposure and principles for control of financial risks, continued

Financial credit risk

Credit risk on financial transactions is the risk that the Group incurs losses as a result of non-payment by counterparts related to the Group's investments, bank deposits or derivative transactions.

Policy

The Group's financial credit risk is measured differently depending on transaction type; investment transactions or derivative transactions.

Investment transactions

Cash and cash equivalent may only be invested with a counterparty if the counterparty rating is above a rating threshold. The threshold for cash and cash equivalent is set at A-/A3 (as rated by Standard & Poor's, Fitch Ratings and Moody's). Investments in structured financial products are not allowed, unless approved by the FRMC. Furthermore, counterparty exposure, tenor and liquidity of the investment are considered before any investment is made. A list of each approved counterparty and its maximum exposure limit is maintained and monitored.

Derivative transactions

Derivative transactions may only be undertaken with approved counterparts for which credit limits are established and with which ISDA (International Swaps and Derivatives Association) master agreements and CSA (Credit Support Annex) agreements are in force. Derivative transactions may only be entered into by Atlas Copco Financial Solutions or in rare cases by another subsidiary, but only with approval from the Group Treasurer. Atlas Copco Group primarily uses derivatives as hedging instruments and the policy allows only standardized (as opposed to structured) derivatives.

Status at year end

Investment transactions in form of cash and cash equivalents amounted to 18 968 (10 887) at year end. These consist of cash, short term bank deposits and investments in liquidity funds. At year end, the measured credit risk on derivatives, taking into account the market value and collaterals, amounted to 38 (28).

The table below presents the reported value of the Group's derivatives.

Outstanding derivative instruments	2024	2023
Assets	78	108
Liabilities	94	721

No financial assets or liabilities are offset in the balance sheet. The table below shows derivatives covered by master netting agreements.

Outstanding net position for derivative instruments	Gross	Offset in balance sheet	Net in balance sheet	Master netting agreement	Cash collateral	Net position
Assets						
Derivatives	78	–	78	–94	33	17
Liabilities						
Derivatives	94	–	94	–94	–	–

The negative net position in liabilities is due to the fact that the exchange of security is done on a weekly basis.

Other market and price risks

Commodity-price risk is the risk that the cost of direct and indirect materials could increase as underlying commodity prices rise in global markets. The Group is directly and indirectly exposed to raw material price fluctuations. Cost increases for raw materials and components often coincide with strong end-customer demand and are compensated for by increased market prices. Therefore, the Group does not hedge commodity-price risks.

Fair value of financial instruments

In Atlas Copco Group's balance sheet, financial instruments are carried at fair value or at amortized cost. The fair value is established according to a fair value hierarchy. The hierarchy levels should reflect the extent to which fair value is based on observable market data or own assumptions. Below is a description of each level and valuation methods used for each financial instrument.

Level 1

In the Level 1 method, fair value is based on quoted (unadjusted) prices in active markets for identical assets or liabilities. A market is considered as active if quoted prices from an exchange, broker, industry group, pricing service, or supervisory body are readily and regularly available and those prices represent actual and regularly occurring market transactions at arm's length.

Level 2

In the Level 2 method, fair value is based on models that utilize observable data for the asset or liability other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Such observable data may be market interest rates and yield curves.

Level 3

In the Level 3 method, fair value is based on a valuation model, whereby significant input is based on unobservable market data.

Valuation methods

Derivatives

Fair values of forward exchange contracts are calculated based on prevailing markets. Interest rate swaps are valued based on market rates and present value of future cash flows. Discounted cash flow models are used for the valuation.

Interest-bearing liabilities

Fair values are calculated based on market rates and present value of future cash flows.

Finance leases and other financial receivables

Fair values are calculated based on market rates for similar contracts and present value of future cash flows.

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26. Financial exposure and principles for control of financial risks, continued

The Group's financial instruments by level

The carrying value for the Group's financial instruments corresponds to fair value in all categories except for borrowings. See note 20 for additional information about the Group's borrowings. The following table includes financial instruments at their fair value and by category.

Financial instruments by fair value hierarchy	2024				2023			
	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
Financial assets	229	66	163	–	262	96	166	–
Other receivables	17	–	17	–	28	–	28	–
Derivatives	2	–	2	–	–	–	–	–
Non-current financial assets	**248**	**66**	**182**	**–**	**290**	**96**	**194**	**–**
Trade receivables	33 817	–	33 817	–	32 680	–	32 680	–
Financial assets	434	361	73	–	965	–	965	–
Other receivables	3 508	–	3 508	–	3 029	–	3 029	–
Derivatives	76	–	76	–	108	–	108	–
Contract assets	6 218	–	6 218	–	5 699	–	5 699	–
Current financial assets	**44 053**	**361**	**43 692**	**–**	**42 481**	**–**	**42 481**	**–**
Financial assets	**44 301**	**427**	**43 874**	**–**	**42 771**	**96**	**42 675**	**–**
Bonds and loans	24 893	13 519	11 374	–	23 913	12 634	11 279	–
Other financial liabilities	56	–	56	–	118	–	118	–
Other liabilities	258	–	168	90	225	–	148	77
Non-current financial liabilities	**25 207**	**13 519**	**11 598**	**90**	**24 256**	**12 634**	**11 545**	**77**
Current portion of long-term loans	280	–	280	–	164	–	164	–
Short-term loans	1 034	–	1 034	–	1 087	–	1 087	–
Derivatives	94	–	94	–	721	–	721	–
Other accrued expenses	12 632	–	12 632	–	11 052	–	11 052	–
Trade payables	16 788	–	16 788	–	17 792	–	17 792	–
Other liabilities	3 399	–	3 235	164	3 062	–	3 008	54
Current financial liabilities	**34 227**	**–**	**34 063**	**164**	**33 878**	**–**	**33 824**	**54**
Financial liabilities	**59 434**	**13 519**	**45 661**	**254**	**58 134**	**12 634**	**45 369**	**131**

Reconciliation of financial liabilities in Level 3	Opening balance	Business acquisitions	Settlement	Discounting effect	Remeasurement	Translation differences	Closing balance	Result related to liabilities, net
Contingent considerations 2024	131	132	–27	9	–1	10	**254**	–8

In other liabilities, 254 (131) relate to contingent considerations for acquisitions. The fair value of these liabilities has been calculated based on the expected outcome of the targets set out in the contracts, given a discount rate of 10.5%. For information about changes due to acquisitions, see note 2.

Currency rates used in the financial statements	Value	Code	Year-end rate 2024	Year-end rate 2023	Average rate 2024	Average rate 2023
Canada	1	CAD	7.64	7.54	7.70	7.83
China	1	CNY	1.51	1.41	1.47	1.49
EU	1	EUR	11.46	11.05	11.41	11.44
India	1	INR	0.13	0.12	0.13	0.13
South Korea	1 000	KRW	7.46	7.75	7.75	8.10
United Kingdom	1	GBP	13.83	12.73	13.49	13.15
U.S.A.	1	USD	10.99	9.98	10.55	10.57

27. Related parties

Relationships

The Group has related party relationships with the Company's largest shareholder, its associates, joint ventures and with its Board members and Group Management. The Company's largest shareholder, Investor AB, controls approximately 22% (22) of the voting rights in Atlas Copco Group.

The subsidiaries that are directly owned by the Parent Company are presented in note A21 to the financial statements of the Parent Company. Holding companies and operating subsidiaries are listed in note A22. Information about associated companies and joint ventures is found in note 13. Information about Board members and Group Management is presented on pages 94–97.

Transactions and outstanding balances

The Group has not had any transactions with Investor AB during the year, other than dividends declared and has no outstanding balances with Investor AB.

Investor AB has controlling or significant influence in companies with which Atlas Copco Group may have transactions within the normal course of business. Any such transactions are made on commercial terms.

The Group has leasing agreements related to buildings owned by the Group's German pension trust. These agreements are on market terms. "Lease liabilities" in the table below represents the outstanding balances over the lease term with the Group's German pension trust.

In addition, the Group sold various products and purchased goods through certain associated companies and joint ventures on terms generally similar to those prevailing with unrelated parties.

The following table summarizes the Group's related party transactions with its associates, joint ventures and other related parties:

	2024	2023
Revenues	36	29
Goods purchased	21	22
Service purchased	151	141
At Dec. 31:		
Trade receivables	20	20
Trade payables	17	23
Lease liabilities	534	536

Compensation to key management personnel

Compensation to the Board and to Group Management is disclosed in note 4.

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Financial statements, Parent Company

Income statement

For the year ended December 31 Amounts in MSEK	Note	2024	2023
Administrative expenses	A2	–915	–932
Other operating income	A3	537	476
Operating loss		**–378**	**–456**
Financial income	A4	19 115	9 935
Financial expenses	A4	–1 048	–1 241
Profit after financial items		**17 689**	**8 238**
Appropriations	A5	2 910	3 383
Profit before tax		**20 599**	**11 621**
Income tax	A6	–408	–247
Profit for the year		**20 191**	**11 374**

Statement of comprehensive income

For the year ended December 31 Amounts in MSEK	Note	2024	2023
Profit for the year		**20 191**	**11 374**
Other comprehensive income for the year		**–**	**–**
Total comprehensive income for the year		**20 191**	**11 374**

Balance sheet

As at December 31 Amounts in MSEK	Note	2024	2023
ASSETS			
Non-current assets			
Intangible assets	A7	2	4
Tangible assets	A8	37	29
Financial assets:			
Deferred tax assets	A9	112	121
Shares in Group companies	A10, A21	198 415	192 460
Other financial assets	A11	279	271
Total non-current assets		**198 845**	**192 885**
Current assets			
Income tax receivables		442	553
Other receivables	A12	5 387	4 612
Cash and cash equivalents	A13	–	–
Total current assets		**5 829**	**5 165**
TOTAL ASSETS		**204 674**	**198 050**

As at December 31 Amounts in MSEK	Note	2024	2023
EQUITY			
Restricted equity			
Share capital		786	786
Legal reserve		4 999	4 999
Total restricted equity		**5 785**	**5 785**
Non-restricted equity			
Reserve for fair value		–1 180	–1 180
Retained earnings		143 796	146 250
Profit for the year		20 191	11 374
Total non-restricted equity		**162 807**	**156 444**
TOTAL EQUITY		**168 592**	**162 229**
PROVISIONS			
Post-employment benefits	A15	213	209
Other provisions	A16	524	651
Total provisions		**737**	**860**
LIABILITIES			
Non-current liabilities			
Borrowings	A17	35 002	34 605
Total non-current liabilities		**35 002**	**34 605**
Current liabilities			
Other liabilities	A18	343	356
Total current liabilities		**343**	**356**
TOTAL EQUITY AND LIABILITIES		**204 674**	**198 050**

Information concerning assets pledged and contingent liabilities is disclosed in note A20.

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Statement of changes in equity

MSEK unless otherwise stated	Number of shares outstanding	Share capital	Legal reserve	Reserve for fair value – translation reserve	Retained earnings	Total
Opening balance, Jan. 1, 2024	4 870 559 283	786	4 999	–1 180	157 624	162 229
Total comprehensive income for the year	–	–	–	–	20 191	20 191
Ordinary dividend	–	–	–	–	–13 647	–13 647
Acquisition series A shares	–5 030 000	–	–	–	–898	–898
Divestment series A shares	5 084 699	–	–	–	943	943
Share-based payment, equity settled:						
– expense during the year	–	–	–	–	245	245
– exercise of options	–	–	–	–	–471	–471
Closing balance, Dec. 31, 2024	**4 870 613 982**	**786**	**4 999**	**–1 180**	**163 987**	**168 592**
Opening balance, Jan. 1, 2023	4 868 356 965	786	4 999	–1 180	157 697	162 302
Total comprehensive income for the year	–	–	–	–	11 374	11 374
Ordinary dividend	–	–	–	–	–11 203	–11 203
Acquisition series A shares	–7 785 000	–	–	–	–1 243	–1 243
Divestment series A shares	9 987 318	–	–	–	1 508	1 508
Share-based payment, equity settled:						
– expense during the year	–	–	–	–	197	197
– exercise of options	–	–	–	–	–706	–706
Closing balance, Dec. 31, 2023	**4 870 559 283**	**786**	**4 999**	**–1 180**	**157 624**	**162 229**

See note A14 for additional information.

Statement of cash flows

For the year ended December 31, MSEK	2024	2023
Cash flows from operating activities		
Operating loss	–378	–456
Adjustments for:		
Depreciation	8	10
Capital gain/loss and other non-cash items	–481	–775
Operating cash deficit	**–851**	**–1 221**
Net financial items received	18 056	7 783
Group contributions received	3 383	2 946
Taxes paid	–294	–356
Cash flow before change in working capital	**20 294**	**9 152**
Change in		
Operating receivables	–1 238	304
Operating liabilities	–12	–18
Change in working capital	**–1 250**	**286**
Net cash from operating activities	**19 044**	**9 438**

For the year ended December 31, MSEK	2024	2023
Cash flow from investing activities		
Investments in tangible assets	–14	–2
Investments in subsidiaries	–5 824	–12 146
Net cash from investing activities	**–5 838**	**–12 148**
Cash flow from financing activities		
Dividends paid	–13 647	–11 203
Repurchase and divestment of own shares	45	265
Change in interest-bearing liabilities	396	13 648
Net cash from financing activities	**–13 206**	**2 710**
Net cash flow for the year	**–**	**–**
Cash and cash equivalents, Jan. 1	–	–
Net cash flow for the year	–	–
Cash and cash equivalents, Dec. 31	**–**	**–**

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Notes to the Parent Company financial statements

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A1. Material accounting principles

Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group and is headquartered in Nacka, Sweden. Its operations include administrative functions, holding company functions as well as parts of Atlas Copco Financial Solutions (Treasury).

The financial statements of Atlas Copco AB have been prepared in accordance with the Swedish Annual Accounts Act and the recommendation RFR 2, "Accounting for Legal Entities", hereafter referred to as "RFR 2", issued by the Swedish Corporate Reporting Board. In accordance with RFR 2, parent companies that issue consolidated financial statements according to International Financial Reporting Standards (IFRS Accounting Standards), as endorsed by the European Union, shall present their financial statements in accordance with IFRS Accounting Standards, to the extent these accounting principles comply with the Swedish Annual Accounts Act and may use exemptions from IFRS Accounting Standards provided by RFR 2 due to Swedish accounting or tax legislation.

The financial statements are presented in Swedish krona (SEK), rounded to the nearest million. The parent company's accounting principles have been consistently applied to all periods presented unless otherwise stated. The financial statements are prepared using the same accounting principles as described in note 1 in the Group's consolidated financial statements, except for those disclosed in the following sections.

For discussion regarding accounting estimates and judgments, see pages 108–109.

Subsidiaries
Participations in subsidiaries are accounted for by the Parent Company at historical cost. See the Group's accounting policies, Impairment of financial assets, for further details.

Transaction costs incurred in connection with a business combination are accounted for by the Parent Company as part of the acquisition costs and are not expensed.

Lease contracts
All lease contracts entered into by the Parent Company are expensed continuously on a straight-line basis over the lease term. RFR 2 include an exception to IFRS 16, allowing all lease contracts to be accounted for as operational leases.

Employee benefits
Defined benefit plans
Defined benefit plans are not accounted for in accordance with IAS 19. In the Parent Company defined benefit plans are accounted for according to the Swedish law regarding pensions, "Tryggandelagen" and regulations issued by the Swedish Financial Supervisory Board. The primary differences as compared to IAS 19 are the way discount rates are fixed, that the calculation of defined benefit obligations is based on current salary levels, without consideration of future salary increases and that all actuarial gains and losses are included in profit or loss as they occur.

Share-based payments
The share-based payments that the Parent Company has granted to employees in the Parent Company are accounted for using the same principle as described in note 1 in the Group's consolidated financial statements.

The share-based payments that the Parent Company has granted to employees in subsidiaries are not accounted for as an employee expense in the Parent Company, but are recognized against Shares in Group companies. This vesting cost is accrued over the same period as in the Group and with a corresponding increase in equity for equity-settled programs and as a change in liabilities for cash-settled programs.

Financial guarantees
Financial guarantees issued by the Parent Company for the benefit of subsidiaries are not valued according to IFRS 9. They are reported as contingent liabilities, unless it becomes probable that the guarantees will lead to payments. In such case, provisions will be recorded.

Hedge accounting
Interest-bearing liabilities denominated in other currencies than SEK, used to hedge currency exposure from investments in shares of foreign subsidiaries are not translated using the foreign exchange rates on the reporting date, but measured based on the exchange rate the day that the hedging relation was established.

Derivatives used to hedge investments in shares in foreign subsidiaries are recognized at fair value and changes therein are recognized in profit or loss. The corresponding fair value change on shares in subsidiaries is recognized in profit or loss, as fair value hedge accounting is applied.

Group and shareholders' contributions
In Sweden, Group contributions are deductible for tax purposes but shareholders' contributions are not. Group contributions are recognized as appropriations in the income statement. Shareholders' contributions are recognized as an increase of Shares in Group companies and tested for impairment.

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A2. Employees and personnel expenses and remuneration to auditors

Average number of employees	2024			2023		
	Women	Men	Total	Women	Men	Total
Sweden	85	41	126	78	41	119

Women in Atlas Copco Board and Management, %	Dec. 31, 2024	Dec. 31, 2023
Board of Directors excl. employee representatives	44	38
Group Management	30	33

Salaries and other remunerations	2024		2023	
	Board members and Group Management [1]	Other employees	Board members and Group Management [1]	Other employees
Sweden	125	157	107	164
of which variable compensation	21		22	

[1] Includes 9 (8) board members who receive fees from Atlas Copco AB as well as the President and CEO and 6 (5) positions of the Group Management who are employed by and receive salary and other fees from the Company.

For information regarding remuneration and other fees for members of the Board, the President and CEO, and other members of Group Management, see note 4 of the consolidated financial statements.

Pension benefits and other social costs	2024	2023
Contractual pension benefits for Board members and Group Management	12	12
Contractual pension benefits for other employees	27	25
Other social costs	87	102
Total	**126**	**139**
Pension obligations to former members of Group Management	4	4

Remuneration to auditors
Audit fees and consultancy fees for advice or assistance other than audit, were as follows:

	2024	2023
Ernst & Young		
– audit fee	6	6
– other services	2	1
Total	**8**	**7**

Audit fee refers to audit of the financial statements and the accounting records. For the Parent Company the audit also includes the administration of the business by the Board of Directors, the President and CEO.

Other services essentially comprise consultancy services.

At the Annual General Meeting Ernst & Young AB was re-elected as the company's auditor until the end of the Annual General Meeting 2025.

A3. Other operating income and expense

	2024	2023
Commissions received	492	413
Exchange-rate differences, net	2	5
Other operating income	43	58
Total other operating income	**537**	**476**

A4. Financial income and expenses

Financial income and expenses	2024	2023
Interest income:		
– cash and cash equivalents	10	9
– receivables from Group companies	173	184
Dividend income from Group companies	18 917	9 739
Change in fair value:		
– other assets	15	3
Financial income	**19 115**	**9 935**
Interest expense:		
– borrowings	–366	–328
– liabilities to Group companies	–682	–309
Capital loss	–	–7
Change in fair value:		
– other liabilities	–	–
Foreign exchange loss, net	–	–4
Impairment loss:		
– shares in Group companies	–	–593
Financial expenses	**–1 048**	**–1 241**
Financial income, net	**18 067**	**8 694**

Following table presents the net gain or loss by category of financial instruments.

Net gain/loss on	2024	2023
– loans and receivables, incl. bank deposits	–183	–139
– other assets	15	3
– other liabilities	–682	–316
Profit from shares in Group companies	18 917	9 146
Total	**18 067**	**8 694**

Profit from shares in Group companies mainly refers to dividend income from subsidiaries and capital gains from transfer of shares in subsidiaries. These transactions are eliminated in the Group accounts since they are internal. For further information about the hedges, see note 26 of the consolidated financial statements.

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A5. Appropriations

	2024	2023
Group contributions paid	–	–
Group contributions received	2 910	3 383
Total	**2 910**	**3 383**

A6. Income tax

	2024	2023
Current tax	–408	–282
Deferred tax	–	35
Total	**–408**	**–247**
Profit before taxes	20 599	11 621
The Swedish corporate tax rate, %	20.6	20.6
National tax based on profit before taxes	–4 243	–2 394
Tax effects of:		
– non-deductible expenses	–24	–151
– tax exempt income	3 903	2 018
– deductible expenses, not recognized in Income statement	22	289
– tax financial net	–16	–
– controlled foreign company taxation	–40	–20
– adjustments from prior years	–10	11
Total	**–408**	**–247**
Effective tax in %	**2.0**	**2.1**

The Parent Company's effective tax rate of 2.0% (2.1) is primarily affected by non-taxable income such as dividends from Group companies.

A7. Intangible assets

	Capitalized expenditures for computer programs	
	2024	2023
Accumulated cost		
Opening balance, Jan. 1	34	34
Closing balance, Dec. 31	**34**	**34**
Accumulated depreciation		
Opening balance, Jan. 1	30	26
Depreciation for the year	2	4
Closing balance, Dec. 31	**32**	**30**
Carrying amount		
Opening balance, Jan. 1	4	8
Closing balance, Dec. 31	**2**	**4**

A8. Property, plant and equipment

	2024			2023		
	Buildings and land	Machinery and equipment	Total	Buildings and land	Machinery and equipment	Total
Accumulated cost						
Opening balance, Jan. 1	49	60	109	48	60	108
Investments	7	7	14	1	1	2
Disposals	–	–	–	–	–1	–1
Closing balance, Dec. 31	**56**	**67**	**123**	**49**	**60**	**109**
Accumulated depreciation						
Opening balance, Jan. 1	26	54	80	22	53	75
Depreciation for the year	3	3	6	4	2	6
Disposals	–	–	–	–	–1	–1
Closing balance, Dec. 31	**29**	**57**	**86**	**26**	**54**	**80**
Carrying amount						
Opening balance, Jan. 1	23	6	29	26	7	33
Closing balance, Dec. 31	**27**	**10**	**37**	**23**	**6**	**29**

The asset Buildings and land relates to improvements in leased properties. Depreciation is accounted for under administrative expenses in the Income Statement.

The leasing costs for assets under operating leases, such as rented premises, cars and office equipment are reported among administrative expenses and amounted to 74 (69). Future payments for non-cancelable leasing contracts amounted to 543 (570) and fall due as follows in the table beside.

	2024	2023
Less than one year	67	71
Between one and five years	258	248
More than five years	218	251
Total	**543**	**570**

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A9. Deferred tax assets and liabilities

	2024			2023		
	Assets	Liabilities	Net balance	Assets	Liabilities	Net balance
Post-employment benefits	44	–	44	43	–	43
Other provisions	68	–	68	78	–	78
Total	**112**	**–**	**112**	**121**	**–**	**121**

The following reconciles the net balance of deferred taxes at the beginning of the year to that at the end of the year:

	2024	2023
Net opening balance, Jan. 1	121	55
Charges to equity	–9	31
Charges to profit for the year	–	35
Net closing balance, Dec. 31, net	**112**	**121**

A10. Shares in Group companies

	2024	2023
Accumulated cost		
Opening balance, Jan. 1	272 816	259 254
Investments	2	–
Net investment hedge	21	1 075
Shareholders' contribution	5 932	12 504
Divestments	–	–17
Closing balance, Dec. 31	**278 771**	**272 816**
Accumulated write-up		
Opening balance, Jan. 1	600	600
Closing balance, Dec. 31	**600**	**600**
Accumulated write-down		
Opening balance, Jan. 1	–80 956	–80 363
Write-down	–	–593
Closing balance, Dec. 31	**–80 956**	**–80 956**
Total	**198 415**	**192 460**

For further information about Group companies, see note A21.

A11. Other financial assets

	2024	2023
Receivables from Group companies	–	9
Endowment insurances	209	205
Financial assets measured at amortized cost:		
– other financial receivables	70	57
Closing balance, Dec. 31	**279**	**271**

Endowment insurances relate to defined contribution pension plans and are pledged to the pension beneficiary (see note A15 and A20).

A12. Other receivables

	2024	2023
Receivables from Group companies	5 223	4 501
Financial assets measured at amortized cost:		
– other receivables	26	26
Prepaid expenses and accrued income	138	85
Closing balance, Dec. 31	**5 387**	**4 612**

A13. Cash and cash equivalents

	2024	2023
Cash and cash equivalents measured at amortized cost:		
– cash	–	–
Closing balance, Dec. 31	**–**	**–**

The Parent Company's guaranteed, but unutilized, credit lines equaled MSEK 7 338 (7 073).

A14. Equity

For information on share transactions and mandates approved by the Annual General Meeting and proposed dividend for 2024, see note 19 in the consolidated financial statements.

Reserves
The Parent Company's equity includes certain reserves which are described as follows:

Legal reserve
The legal reserve is a part of the restricted equity and is not available for distribution.

Reserve for fair value – Translation reserve
The reserve comprises translation of intragroup receivables from or liabilities to foreign operations that in substance are part of the net investment in the foreign operations, as well as cash flow hedges to convert variable interest rates to fixed interest rates.

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A15. Post-employment benefits

	2024			2023		
	Defined contribution pension plans	Defined benefit pension plans	Total	Defined contribution pension plans	Defined benefit pension plans	Total
Opening balance, Jan. 1	205	4	209	199	4	203
Provision made	33	1	34	33	1	34
Provision used	–29	–1	–30	–27	–1	–28
Closing balance, Dec. 31	**209**	**4**	**213**	**205**	**4**	**209**

The Parent Company has endowment insurances of 209 (205) relating to defined contribution pension plans. The insurances are recognized as other financial assets, and pledged to the pension beneficiary.

Description of defined benefit pension plans
The Parent Company has two defined benefit pension plans. The ITP plan is a final salary pension plan covering the majority of salaried employees in Atlas Copco AB which benefits are secured through the Atlas Copco AB´s pension trust. The second plan relates to retired former senior employees. These pension arrangements are provided for.

	2024			2023		
	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Defined benefit obligations	197	4	201	186	4	190
Fair value of plan assets	–677	–	–677	–594	–	–594
Present value of net obligations	**–480**	**4**	**–476**	**–408**	**4**	**–404**
Not recognized surplus	480	–	480	408	–	408
Net amount recognized in balance sheet	**–**	**4**	**4**	**–**	**4**	**4**

	2024			2023		
Reconciliation of defined benefit obligations	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Defined benefit obligations at Jan. 1	186	4	190	172	4	176
Service cost	4	1	5	3	1	4
Interest expense	5	–	5	5	–	5
Benefits paid from plan	11	–	11	14	–	14
Other changes in obligations	–9	–1	–10	–8	–1	–9
Defined benefit obligations at Dec. 31	**197**	**4**	**201**	**186**	**4**	**190**

	2024			2023		
Reconciliation of plan assets	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Fair value of plan assets at Jan. 1	594	–	594	625	–	625
Return on plan assets	91	–	91	–23	–	–23
Payments/Renumeration of plan assets	–8	–	–8	–8	–	–8
Fair value of plan assets at Dec. 31	**677**	**–**	**677**	**594**	**–**	**594**

	2024	2023
Pension commitments provided for in the balance sheet		
Costs excluding interest	17	16
Total	**17**	**16**
Pension commitments provided for through insurance contracts		
Service cost	27	25
Total	**27**	**25**
Net cost for pensions, excluding taxes	**44**	**41**
Special employer's contribution	9	7
Total	**53**	**48**

Pension expenses excluding taxes for the year, included within administrative expenses amounted to 44 (41) of which the Board members and Group Management 17 (12) and others 27 (29).

The Parent Company's share in plan assets fair value in the Atlas Copco AB´s pension trust amounts to 677 (594) and is allocated as follows:

	2024	2023
Equity securities	92	107
Bonds	131	119
Real estate	38	2
Alternative investments	299	281
Cash and cash equivalents	117	85
Total	**677**	**594**

The plan assets of the Atlas Copco AB´s pension trust are not included in the financial assets of the Parent Company.

The return on plan assets in the Atlas Copco AB´s pension trust amounted to 7.8% (0.24) inclusive of MSEK 8 (8.1) paid remuneration.

The Parent Company adheres to the actuarial assumptions used by The Swedish Pension Registration Institute (PRI) i.e. discount rate 2.9% (2.9). The Parent Company estimates MSEK 14 will be paid to defined benefit pension plans during 2025.

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A16. Other provisions

	2024	2023
Opening balance, Jan. 1	651	501
During the year:		
– provisions made	8	364
– provisions used	–135	–214
Closing balance, Dec. 31	**524**	**651**

Other provisions include primarily provisions for costs related to employee option programs accounted for in accordance with IFRS 2 and UFR 7.

A17. Borrowings

	Maturity	Repurchased nominal amount	2024 Carrying amount	2024 Fair value	2023 Carrying amount	2023 Fair value
Non-current						
Medium Term Note Program MEUR 500	2026		5 078	5 550	5 077	5 215
Bilateral borrowings EIB MEUR 200	2027		2 030	2 185	2 030	2 099
Bilateral borrowings EIB MEUR 100	2028		1 012	1 076	1 012	1 009
Bilateral borrowings EIB MEUR 415	2030		4 576	4 870	4 576	4 718
Bilateral borrowings EIB MEUR 60	2030		697	704	697	683
Bilateral borrowings NIB MEUR 183	2031		2 045	2 117	2 045	2 053
Non-current borrowings from Group companies			19 564	21 366	19 168	20 752
Total non-current borrowings			**35 002**	**37 868**	**34 605**	**36 529**
Closing balance, Dec. 31			**35 002**	**37 868**	**34 605**	**36 529**
Whereof external borrowings			**15 438**	**16 502**	**15 437**	**15 777**

The difference between carrying value and fair value relates to the measurement method as certain liabilities are reported at amortized cost and not at fair value. Changes in interest rates and credit margins create the difference between fair value and amortized cost.

The following table shows the maturity structure of the Parent Company's external borrowings.

Maturity	Fixed	Floating [1]	Carrying amount	Fair value
2026	5 078	–	5 078	5 550
2027	2 030	–	2 030	2 185
2028	1 012	–	1 012	1 076
2030	–	5 273	5 273	5 574
2031	–	2 045	2 045	2 117
Total	**8 120**	**7 318**	**15 438**	**16 502**

[1] Floating interest in the table is borrowings with fixings shorter or equal to six months.

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A18. Other liabilities

	2024	2023
Accounts payable	40	24
Liabilities to Group companies	76	63
Other financial liabilities	14	47
Accrued expenses and prepaid income	213	222
Closing balance, Dec. 31	**343**	**356**

Accrued expenses include items such as social costs, vacation pay liability, and accrued interest.

A19. Financial exposure and principles for control of financial risks

Parent Company borrowings
Atlas Copco AB had MSEK 15 438 (15 437) of external borrowings and MSEK 19 564 (19 168) of internal borrowings at December 31, 2024.

Hedge accounting
The Parent Company hedges shares in subsidiaries through loans of MEUR 2 378 (2 378). The deferral hedge accounting of the loans is based on a RFR 2 exemption.

Financial credit risk
Credit risk on financial transactions is the risk that the Parent Company incurs losses as a result of non-payment by counterparts related to the Parent Company's investments, bank deposits or derivative transactions. For further information regarding investment and derivative transactions, see note 26 of the consolidated financial statements. The table below shows the actual exposure of financial instruments as per December 31.

Financial credit risk	2024	2023
Cash and cash equivalents	–	–
Receivables from Group companies	5 223	4 510
Other	234	169
Total	**5 457**	**4 679**

Fair value hierarchy
Fair values are based on observable market prices or, in the case that such prices are not available, on observable inputs or other valuation techniques. Amounts shown in other notes are unrealized and will not necessarily be realized. For more information about fair value hierarchy, see note 26 of the consolidated financial statements. There are no level 3 instruments in the Parent Company.

Valuation methods
Interest-bearing liabilities
Fair values are calculated based on market rates and present value of future cash flows.

The Parent Company's financial instruments by category
The carrying value for the Parent Company's financial instruments corresponds to fair value in all categories except for borrowings. See note A17 for additional information.

A20. Assets pledged and contingent liabilities

	2024	2023
Assets pledged for pension commitments		
Endowment insurances	209	205
Total	**209**	**205**
Contingent liabilities		
Sureties and other contingent liabilities:		
– for external parties	4	3
– for Group companies	11 511	10 843
Total	**11 515**	**10 846**

Sureties and other contingent liabilities include bank and commercial guarantees. The increase compared to last year mainly derives from Parent Company Guarantees provided by Atlas Copco AB on behalf of its subsidiaries.

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A21. Directly owned subsidiaries

	2024			2023		
	Number of shares	Percent held	Carrying value	Number of shares	Percent held	Carrying value
Directly owned product companies						
Atlas Copco Airpower n.v., Wilrijk	76 416	100	46 995	76 416	100	46 931
Directly owned customer centers						
AGRE Kompressoren GmbH, Steyr	200 000	100	7	200 000	100	7
ALUP Kompressoren AG, Oftringen	3 500	100	25	3 500	100	25
ALUP Kompressoren Polska sp. z.o.o., Janki	9 000	100	14	9 000	100	14
Atlas Copco (Cyprus) Ltd., Nicosia	99 998	100	–	99 998	100	–
Atlas Copco (India) Private Ltd, Pune	21 870 912	100	926	21 731 917	100	933
Atlas Copco (Ireland) Ltd., Dublin	250 000	100	28	250 000	100	28
Atlas Copco (Malaysia) Sdn. Bhd., Shah Alam	1 000 000	100	16	1 000 000	100	16
Atlas Copco (Philippines) Inc., Manila	677 980	100	130	677 980	100	129
Atlas Copco (Schweiz) AG, Studen	8 000	100	66	8 000	100	65
Atlas Copco (South East Asia) Pte. Ltd, Singapore	4 500 000	100	35	4 500 000	100	35
Atlas Copco (Thailand) Limited, Bangkok	1	–/100 [1]	–	1	–/100 [1]	–
Atlas Copco Argentina S.A.C.I., Buenos Aires	2 122 102 334	98/100 [1]	102	5 120 025	93/100 [1]	84
Atlas Copco Brasil Ltda., Barueri	70 358 841	100	257	70 358 841	100	259
Atlas Copco Canada Inc., Toronto	6 946	100	2 417	6 946	100	2 417
Atlas Copco Chile SpA, Santiago	24 998	100	8	24 998	100	7
Atlas Copco Compressor AB, 556155-2794, Nacka	60 000	100	40	60 000	100	38
Atlas Copco Eastern Africa Limited, Nairobi	482 999	100	41	482 999	100	40
Atlas Copco Equipment Egypt S.A.E., Cairo	5	–/100 [1]	5	5	–/100 [1]	5
Atlas Copco GmbH, Vienna	1	100	44	1	100	43
Atlas Copco KK, Tokyo	100 000	100	43	100 000	100	41
Atlas Copco Kompressorteknik A/S, Albertslund	4 000	100	5	4 000	100	5
Atlas Copco Maroc SA, Casablanca	3 960	99	7	3 960	99	6
Atlas Copco Polska Sp. z o.o., Warsaw	4 000	100	81	4 000	100	81
Atlas Copco Services Middle East OMC, Manama	500	100	29	500	100	31
Atlas Copco Ukraine LLC, Kiev	10 000 000	100	4	10 000 000	100	4
Atlas Copco Venezuela SA, Valencia	1 592	100	13	1 592	100	9
Sociedade Atlas Copco de Portugal S.A., Porto Salvo	1	100	19	1	100	19
Directly owned holding companies and others						
AB Atlas Diesel, 556019-1610, Nacka	1 000	100	–	1 000	100	–
Atlas Copco A/S, Vestby	2 500	100	47	2 500	100	46
Atlas Copco Beheer B.V., Zwijndrecht	15 712	100	76	15 712	100	76
Atlas Copco Finance Belgium bv, Wilrijk	1	–/100 [1]	–	1	–/100 [1]	–
Atlas Copco Finance DAC, Dublin	5 162 000 001	100	55 981	5 162 000 001	100	55 954
Atlas Copco France Holding S.A., Frépillon	278 255	100	330	278 255	100	338
Atlas Copco Holding GmbH, Essen	2	100	21 246	2	100	21 232
Atlas Copco Indoeuropeiska AB, 556155-2760, Nacka	3 500	100	20	3 500	100	20
Atlas Copco Internationaal B.V., Zwijndrecht	10 002	100	27 446	10 002	100	27 439
Atlas Copco Järla Holding AB, 556062-0212, Nacka	95 000	100	124	95 000	100	124
Atlas Copco Nacka Holding AB, 556397-7452, Nacka	100 000	100	12	100 000	100	12
Atlas Copco Sickla Holding AB, 556309-5255, Nacka	1 000	100	41 527	1 000	100	35 699
Industria Försäkringsaktiebolag, Industria Insurance Company Ltd, 516401-7930, Nacka	300 000	100	30	300 000	100	30
JSC Atlas Copco, Moscow	2 644	100	185	2 644	100	185
Oy Atlas Copco Ab, Vantaa	150	100	34	150	100	33
Saltus Industrial Technique AB, 559053-5455, Nacka	500	100	–	100	100	–
Carrying amount, Dec. 31			**198 415**			**192 460**

[1] First figure: percentage held by Parent Company, second figure: percentage held by Atlas Copco Group.

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A22. Related parties

Relationships

The Parent Company has related party relationships with its largest shareholder, its subsidiaries, its associates, its joint ventures and with its Board members and Group Management.

The Parent Company's largest shareholder, Investor AB, controls approximately 22% (22) of the voting rights in Atlas Copco AB.

The subsidiaries that are directly owned by the Parent Company are presented in note A21 and all directly and indirectly owned operating subsidiaries are listed on the following pages.

Information about Board members and Group Management is presented on pages 94–97.

Transactions and outstanding balances

The Group has not had any transactions with Investor AB during the year other than dividends declared and has no outstanding balances with Investor AB.

Investor AB has controlling or significant influence in companies which Atlas Copco AB may have transactions with in the normal course of business. Any such transactions are made on commercial terms.

The following table summarizes the Parent Company's transactions with Group companies:

	2024	2023
Revenues		
Dividends	18 917	9 739
Group contribution	2 910	3 383
Interest income	173	184
Expenses		
Group contribution	–	–
Interest expenses	–683	–309
Receivables	**5 223**	**4 510**
Liabilities	**19 640**	**19 231**
Guarantees	**11 511**	**10 843**

The following details directly and indirectly owned holding and operational subsidiaries (excluding branches), presented by country/area of incorporation.

Country/Area	Company	Location (City)
Algeria	SPA Atlas Copco Algérie	*Algiers*
Angola	Atlas Copco Angola Ltd	*Luanda*
Argentina	Atlas Copco Argentina S.A.C.I.	*Buenos Aires*
Australia	Atlas Copco Australia Pty Ltd	*Blacktown*
	Ausmedi International Pty. Ltd.	*Melbourne*
	AVT Service Pty Ltd	*Sydney*
	Dewatering Holdings No 2 Pty Limited	*Perth*
	LEWA Australia PTY LTD	*East Perth*
	National Pump and Energy Pty Ltd	*Birtinya*
	Sykes Group Pty Ltd	*Cardiff*
	Vortex Group of Companies Pty Ltd	*Perth*
	Walker Filtration Pty Ltd	*Melbourne*
Austria	AGRE Kompressoren GmbH	*Steyr*
	Atlas Copco GmbH	*Vienna*
	LEWA Austria GmbH	*Vienna*
	Medgas-Technik medical systems GmbH	*Leisach*
Bahrain	Atlas Copco Services Middle East OMC	*Manama*
Bangladesh	Atlas Copco Bangladesh Ltd.	*Dhaka*
Belgium	Atlas Copco Airpower n.v.	*Wilrijk*
	Atlas Copco Belgium n.v.	*Overijse*
	Atlas Copco Finance Belgium bv	*Wilrijk*
	Atlas Copco Rental Europe n.v.	*Boom*
	Atlas Copco Support Services n.v.	*Kontich*
	Atlas Copco Vacuum Belgium nv	*Hoeselt*
	Delta Temp Group BV	*Oosterzele*
	Delta Temp NV	*Oosterzele*
	EDMAC Europe n.v.	*Wilrijk*
	Geveke Process Technology bv	*Vilvoorde*
	International Compressor Distribution n.v.	*Wilrijk*
	MultiAir BELUX nv	*Nazareth*
	Power Tools Distribution n.v.	*Hoeselt*
Bolivia	Atlas Copco Bolivia S.A Compresores, Maquinaria y Servicio	*Santa Cruz de la Sierra*
Brazil	Atlas Copco Brasil Indústria e Comércio Ltda.	*Barueri*
	Atlas Copco Brasil Ltda.	*Barueri*
	Atlas Copco Real Estate Ltda	*Barueri*
	Chicago Pneumatic Brasil Ltda.	*Barueri*
	Industrial Flow South America Ltda.	*Diadema*
	ISRA VISION Comércio, Serviços, Importação e Exportação Ltda.	*Barueri*
	Itubombas Locação, Comércio, Importação e Exportação Ltda.	*Itu*
	Leybold do Brasil Ltda.	*Jundiaí*
	Metalplan Equipamentos LTDA	*Cajamar*
	Perceptron do Brazil Ltda.	*Barueri*
	Pressure Compressores Ltda.	*Maringa*
	Tecturbo Compressores Peças e Serviços LTDA	*Campinas*
	Vacuum Technique Brasil Ltda.	*Sao Paulo*
Bulgaria	Atlas Copco Bulgaria EOOD	*Sofia*
Canada	Atlas Copco Canada Inc.	*Toronto*
	Chicago Pneumatic Tool Co. Canada Ltd.	*Toronto*
	Class 1 Incorporated	*Cambridge*
	CPC Pumps International Inc.	*Burlington*
	Entreprises Larry Inc.	*Montreal*
	Lucas Drive - 2352341 Ontario Inc.	*Burlington*
	Sutton Drive - 2485283 Ontario Inc.	*Burlington*
Chile	Atlas Copco Chile SpA	*Santiago*
China	Anhui Nuoyi Technology Co., Ltd.	*Hefei*
	Atlas Copco (Wuxi) Compressor Co., Ltd.	*Wuxi*
	Atlas Copco (Shanghai) Equipment Rental Co., Ltd.	*Shanghai*
	Atlas Copco Industrial Technique (Shanghai) Co., Ltd.	*Shanghai*
	Atlas Copco (China) Investment Co., Ltd.	*Shanghai*
	Atlas Copco (Shanghai) Process Equipment Co., Ltd.	*Shanghai*
	Atlas Copco (Shanghai) Trading Co., Ltd.	*Shanghai*
	Bolaite (Shanghai) Compressor. Co., Ltd	*Shanghai*
	Bozhong (Shandong) Industrial Equipment Co., Ltd.	*Zibo*
	Chinco Vacuum Technique (Zibo) Co., Ltd.	*Zibo*
	CSK China Co. Ltd.	*Wuxi*
	CSK Xian China Co. Ltd.	*Xian*
	Edmac (Shanghai) Trading Co., Ltd.	*Shanghai*
	Edwards Technologies Trading (Shanghai) Company Ltd.	*Shanghai*
	Edwards Technologies Vacuum Engineering (Qingdao) Company Ltd.	*Qingdao*
	Edwards Technologies Vacuum Engineering (Shanghai) Company Ltd.	*Shanghai*
	Edwards Technologies Vacuum Engineering (Xian) Company Ltd.	*Xian*
	Factory for Industrial Air Compressors (Jiangmen) Co., Ltd.	*Jiangmen*
	ISRA VISION (Shanghai) Co. Ltd.	*Shanghai*
	Kracht Fluid Technology Ltd.	*Shanghai*
	Kunshan Q-Tech Air System Technologies Ltd.	*Kunshan*
	LEWA (Dalian) Fluid Technology Co., Ltd.	*Dalian*
	LEWA Pumps (Dalian) Co., Ltd.	*Dalian*
	Leybold Equipment (Tianjin) Co., Ltd.	*Tianjin*
	Leybold (Tianjin) International Trade Co.Ltd.	*Tianjin*
	Linghein (Shanghai) Gas Technologies Co., Ltd.	*Shanghai*
	Liutech Compressor Air System (Shanghai) Co., Ltd	*Shanghai*
	Liutech Machinery Equipment Co., Ltd.	*Liuzhou*
	Liuzhou Tech Machinery Co., Ltd.	*Liuzhou*
	Meditech (Shanghai) Gas Technology Co., Ltd.	*Shanghai*
	Perceptron Metrology Technology (Shanghai) Co.,Ltd.	*Shanghai*
	Q-Tech (Shanghai) Gas Equipment Co.,Ltd.	*Shanghai*
	Shandong Meditech Technology Co., Ltd.	*Jinan*
	Shanghai BeaconMedaes Medical Gas Co., Ltd	*Shanghai*
	Shanghai Tooltec Industrial Tool Co., Ltd.	*Shanghai*
	Suzhou Since Gas Technology Co., Ltd.	*Suzhou*
	Pan-Asia Gas Technologies (Wuxi) Co., Ltd.	*Wuxi*
	Wuxi Origin Industry Service Co., Ltd	*Wuxi*
	Wuxi Pneumatech Air/Gas Purity Equipment Co., Ltd.	*Wuxi*
	Wuxi Shengda Air/Gas Purity Equipment Co., Ltd.	*Wuxi*
Colombia	Atlas Copco Colombia Ltda	*Bogota*
Croatia	Atlas Copco d.o.o.	*Zagreb*
Cyprus	Atlas Copco (Cyprus) Ltd.	*Nicosia*
Czech Republic	ALUP CZ spol. S.r.o	*Breclav*
	Atlas Copco s.r.o.	*Prague*
	Atlas Copco Services s.r.o.	*Brno*
	Edwards s.r.o.	*Lutin*
	Schneider Airsystems s.r.o.	*Line*
Denmark	Atlas Copco Kompressorteknik A/S	*Albertslund*
	Danmil A/S	*Greve*
	Oxymat A/S	*Helsinge*
	RENO A/S	*Aarhus*

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A22. **Related parties,** continued

Country/Area	Company	Location (City)
Ecuador	Empresa Comercial Vele Leiva EMCOVELE, S.A.	*Quito*
Egypt	Atlas Copco Equipment Egypt S.A.E.	*Cairo*
	Atlas Copco Service Egypt	*Cairo*
Finland	Oy Atlas Copco Ab	*Vantaa*
	Oy Atlas Copco Kompressorit Ab	*Vantaa*
	Oy Atlas Copco Tools Ab	*Vantaa*
France	Atlas Copco Applications Industrielles S.A.S.	*Frépillon*
	Atlas Copco Crépelle S.A.S.	*Lille*
	Atlas Copco France Holding S.A.	*Frépillon*
	Atlas Copco France SAS	*Frépillon*
	Edwards SAS	*Herblay*
	ETS Georges Renault S.A.S.	*Saint-Herblain*
	Exlair S.A.S.	*Frépillon*
	LEWA France SAS	*Neuville-sur-Oise*
	Leybold France SAS	*Bourg-Les-Valence*
	MultiAir France S.A.S	*Chambly*
	Perceptron EURL	*Montigny le Bretonneux*
	Seti-Tec S.A.S.	*Collegien*
Germany	Arpuma regel- und fördertechnische Geräte GmbH	*Kerpen*
	Atlas Copco Beteiligungs GmbH [1]	*Essen*
	Atlas Copco Energas GmbH [1]	*Cologne*
	Atlas Copco EPS GmbH [1]	*Neustadt a.d. Donau*
	Atlas Copco Holding GmbH [1]	*Essen*
	Atlas Copco IAS GmbH [1]	*Bretten*
	Atlas Copco Industrial Software GmbH [1]	*Leinfelden-Echterdingen*
	Atlas Copco Kompressoren und Drucklufttechnik GmbH [1]	*Essen*
	Atlas Copco Power Technique GmbH [1]	*Essen*
	Atlas Copco Tools Central Europe GmbH [1]	*Essen*
	CVS Engineering GmbH [1]	*Rheinfelden (Baden)*
	Delta-Temp GmbH	*Recklinghausen*
	Desoutter GmbH [1]	*Maintal*
	DF Druckluft-Fachhandel GmbH [1]	*Herrenberg*
	Dipotec GmbH [1]	*Neustadt a.d. Donau*
	Edwards GmbH	*Feldkirchen*
	Ehrler & Beck Vakuum- und Drucklufttechnik GmbH [1]	*Renningen*
	EXTEND3D GmbH [1]	*Münich*
	ISRA Immobilie Darmstadt GmbH [1]	*Darmstadt*
	ISRA Immobilie Herten GmbH [1]	*Darmstadt*
	ISRA PARSYTEC GmbH [1]	*Aachen*
	ISRA SURFACE VISION GmbH [1]	*Herten*
	ISRA VISION GmbH [1]	*Darmstadt*
	ISRA VISION PARSYTEC AG [1]	*Aachen*
	KDS Kompressoren- und Druckluftservice GmbH [1]	*Essen*
	Kracht GmbH [1]	*Werdohl*
	LEWA GmbH [1]	*Leonberg*
Germany	LEWA Solutions GmbH [1]	*Leonberg*
	Leybold Dresden GmbH	*Dresden*
	Leybold GmbH	*Cologne*
	Leybold Real Estate GmbH [1]	*Cologne*
	Medgas-Technik GmbH Medical-Technology [1]	*Berndroth*
	Multiair Germany GmbH [1]	*Reutlingen*
	nano-purification solutions GmbH [1]	*Krefeld*
	Perceptron GmbH [1]	*Munich*
	PMH Druckluft GmbH [1]	*Erkelenz*
	Pumpenfabrik Wangen GmbH [1]	*Wangen I'm Allgau*
	QUISS Qualitäts-Inspektionssysteme und Service GmbH [1]	*Puchheim*
	soft2tec GmbH [1]	*Russelsheim*
	VisionTools Bildanalyse Systeme GmbH [1]	*Waghäusel*
Greece	Atlas Copco Hellas AE	*Koropi*
Hong Kong	Atlas Copco China/Hong Kong Ltd	*Hong Kong*
Hungary	Atlas Copco Hungary Kft	*Szigetszentmiklós*
	Kracht Hidraulik Kft.	*Budapest*
India	Atlas Copco (India) Private Ltd.	*Pune*
	Edwards India Private Ltd.	*Pune*
	HHV Pumps Private Limited	*Bangalore*
	ISRA VISION INDIA Private Limited	*Mumbai*
	LEWA Pumps India Pvt Ltd.	*Chennai*
	Leybold India Pvt Ltd.	*Bangalore*
	Perceptron Non-Contact Metrology Solutions Pvt Ltd.	*Chennai*
Indonesia	PT Atlas Copco Indonesia	*Jakarta*
Iraq	Atlas Copco Iraq LLC	*Erbil*
Ireland	Atlas Copco (Ireland) Ltd.	*Dublin*
	Atlas Copco Finance DAC	*Dublin*
	Edwards Vacuum Technology Ireland Ltd	*Dublin*
Israel	Edwards Israel Vacuum Ltd	*Kiryat Gat*
Italy	ABAC Aria Compressa S.r.l	*Robassomero*
	Atlas Copco BLM S.r.l.	*Milan*
	Atlas Copco Italia S.r.l.	*Milan*
	Baraghini Compressori S.r.l.	*Pievesestina di Cesena (FC)*
	C.P. Service SRL	*Naples*
	Ceccato Aria Compressa S.r.l	*Montecchio Maggiore*
	Desoutter Industrial Tools SrL	*Lissone*
	Edwards S.r.l.	*Milan*
	ESA Service S.r.l.	*Treviglio*
	Eurochiller S.r.l.	*Castello d'Agogna (Pv)*
	Fiac Professional Air Compressors S.r.l.	*Sasso Marconi*
	LEWA Italy S.r.l.	*Rho*
	Leybold Italia S.r.l	*Milan*
	MultiAir Italia S.r.l	*Montecchio Maggiore*
	SCB S.r.l.	*Villar San Costanzo*
	Varisco S.r.l.	*Padova*
Japan	Atlas Copco KK	*Tokyo*
	Edwards Japan Ltd	*Chiba*
	Fuji Industrial Technique Co., Ltd.	*Osaka*
	Leybold Japan Co.Ltd.	*Kohoku-Ku, Yokohama-Shi*
Kazakhstan	Atlas Copco AirPower Central Asia LLP	*Almaty*
Kenya	Atlas Copco Eastern Africa Limited	*Nairobi*
Latvia	Atlas Copco Baltic SIA	*Marupes Novads*
Luxembourg	Atlas Copco Finance S.á.r.l.	*Luxembourg*
Malaysia	Atlas Copco (Malaysia) Sdn. Bhd.	*Shah Alam*
	Geveke Malaysia Snd. Bhd.	*Shah Alam*
	Geveke Oil & Gas Sdn. Bhd.	*Shah Alam*
	Nano-Purification Solutions (Malaysia) Sdn Bhd	*Johor Bahru*
	Vacuum Technique Malaysia Sdn. Bhd.	*Puchong*
Mexico	Atlas Copco Mexicana S.A. de C.V.	*Tlalnepantla*
	Desarrollos Técnologicos ACMSA S.A. de C.V.	*Tlalnepantla*
	Desoutter Tools Mexico SA de CV	*Tlalnepantla*
	Vacuum Technique Mexico	*Monterrey*
Morocco	Atlas Copco Maroc SA	*Casablanca*
Myanmar	Atlas Copco Services Myanmar Co., Ltd.	*Yangon*
Netherlands	Alup Kompressoren BV	*Oss*
	Atlas Copco Beheer B.V.	*Zwijndrecht*
	Atlas Copco Internationaal B.V.	*Zwijndrecht*
	Creemers Compressors B.V.	*Oss*
	Delta Temp Nederland BV	*Rotterdam*
	Eco Ketelservice Verhuur B.V.	*Tilburg*
	Eco Steam Trading & Consultancy B.V.	*Tilburg*
	E.K.S. Holding B.V.	*Tilburg*
	Geveke Werktuigbouw BV	*Amsterdam*
	Leybold Nederland B.V.	*Utrecht*
	Perslucht Wilda B.V.	*Woudenberg*
	Pomac BV	*Tolbert*
New Zealand	Atlas Copco (N.Z.) Ltd.	*Auckland*
	Conhur Limited	*Takanini*
	Exlair (NZ) Limited	*Auckland*
	Generator Holdings Limited	*Auckland*
	Generator Rental Services Limited	*Auckland*
	Sykes New Zealand Limited	*Auckland*
Nigeria	Atlas Copco Nigeria Ltd.	*Lagos*
Norway	Atlas Copco A/S	*Vestby*
	Atlas Copco Kompressorteknikk A/S	*Vestby*
	Atlas Copco Tools A/S	*Vestby*
	Berema A/S	*Vestby*
Pakistan	Atlas Copco Pakistan (Private) Limited	*Lahore*
Peru	Atlas Copco Perú S.A.C.	*Lima*
Philippines	Atlas Copco (Philippines) Inc.	*Manila*
Poland	ALUP Kompressoren Polska sp. z.o.o.	*Janki*
	Atlas Copco Polska Sp. z o.o.	*Warsaw*
	Vector Sp. z o.o.	*Tarnowo Podgórne*

[1] Legal regulations allow for an exemption from local statutory requirements if the criteria set out in section 264 (3) of the Handelsgesetzbuch (HGB – German Commercial Code) are met. This exemption has been applied to German subsidiaries for the financial year 2024.

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A22. **Related parties,** continued

Country/Area	Company	Location (City)
Portugal	Arlogica Maquinas e Equipamentos, LDA	*Árvore*
	Sociedade Atlas Copco de Portugal S.A.	*Porto Salvo*
Romania	Atlas Copco Romania S.R.L.	*Bucharest*
	Scheugenpflug S.R.L.	*Sibiu*
Russia	JSC Atlas Copco	*Moscow*
Serbia	Atlas Copco Srbija doo	*Belgrade*
Singapore	Atlas Copco (South East Asia) Pte. Ltd	*Singapore*
	Geveke International Pte Ltd	*Singapore*
	LEWA Singapore Pte. Ltd.	*Singapore*
	Nano-Purification Solutions Asia Pacific Pte Ltd	*Singapore*
	Vacuum Technique Singapore Pte Ltd	*Singapore*
Slovakia	ACG Air & Gas Solutions SK s.r.o.	*Vadovce*
	ACJ s.r.o.	*Samorin*
	Atlas Copco s.r.o	*Bratislava*
	Schneider Airsystems s.r.o.	*Nitra*
Slovenia	Atlas Copco d.o.o.	*Trzin*
South Africa	Atlas Copco Group Holdings (PTY) LTD	*Johannesburg*
	Atlas Copco Industrial South Africa (Pty) Ltd	*Boksburg*
	Integrated Pump Rental (Pty) Ltd	*Johannesburg*
	Rand Air South Africa (Pty) Ltd	*Boksburg*
South Korea	Atlas Copco Korea Co., Ltd.	*Seongnam*
	CP Tools Korea Co., Ltd.	*Seoul*
	CSK Inc.	*Yongin*
	Edwards Korea Ltd	*Cheonan*
	ISRA VISION Korea Co. Ltd	*Seoul*
	LEWA Korea Co., Ltd.	*Seoul*
	Leybold Korea Ltd	*Bundang*
	Presys Co., Ltd	*Suwon*
Spain	Aire Comprimido Industrial Iberia, S.L.	*Madrid*
	Atlas Copco S.A.E.	*Madrid*
	Grupos Electrógenos Europa, S.A.	*Zaragoza*
	IBVC Vacuum, S.L.U.	*Madrid*
	LEWA Hispania S.L.	*Madrid*
	Leybold Hispanica S.A.	*Cornellá de Llobregat*
Sweden	Atlas Copco Compressor AB	*Nacka*
	Atlas Copco Industrial Technique AB	*Nacka*
	Atlas Copco Järla Holding AB	*Nacka*
	Atlas Copco Nacka Holding AB	*Nacka*
	Atlas Copco Sickla Holding AB	*Nacka*
	Industria Försäkringsaktiebolag, Industria Insurance Company Ltd	*Nacka*
	Swed-Weld AB	*Värnamo*
Switzerland	ALUP Kompressoren AG	*Oftringen*
	Atlas Copco (Schweiz) AG	*Studen*
	LEWA Switzerland AG	*Reinach*
	Leybold Schweiz AG	*Steinhausen*
	Medgas-Technik Schweiz AG	*Sankt-Gallen*
	Photonfocus AG	*Lachen*
Taiwan	Atlas Copco Taiwan Ltd.	*Taoyuan*
	CSKT Inc.	*Jubei*
	Edwards Technologies Ltd	*Jhunan*
	Leybold Taiwan Ltd	*Zhubei*
Thailand	Atlas Copco (Thailand) Limited	*Bangkok*
Türkiye	Atlas Copco Makinalari Imalat AS	*Istanbul*
	Chicago Pneumatic Endüstriyel Ürünler Ticaret A.Ş	*Istanbul*
	Dost Kompresör Endüstri Makinaları İmal Bakım ve Ticaret A.Ş	*Istanbul*
	Ekomak Endüstriyel Kompresör Makine Sanayi ve Ticaret A.Ş	*Istanbul*
	ISRA VISION Yapay Görme Ve Otomasyon San. Ve Tic. A.ş	*Istanbul*
	Multiair Endüstriyel Hava Ekipmanları Ticaret A.Ş.	*Istanbul*
	SCS Makina İthalat İhracat Ticaret A.Ş.	*Adana*
	Tekser Endüstriyel Cihazlar Sanayi ve Ticaret A.Ş.	*Istanbul*
Ukraine	Atlas Copco Ukraine LLC	*Kiev*
United Arab Emirates	Primax Pumps FZCO	*Dubai*
	Atlas Copco Middle East FZE	*Dubai*
	LEWA Middle East FZE	*Sharjah*
United Kingdom	Ace Air (NI) Ltd	*Dromara*
	AE Industrial & Air Equipment Limited	*Warrington*
	Air Compressors and Tools Limited	*Warrington*
	Airflow Compressors and Pneumatics Limited	*Warrington*
	Associated Compressor Engineers Limited	*Stockport*
	Atlas Copco IAS UK Limited	*Flintshire*
	Atlas Copco Ltd.	*Hemel Hempstead*
	Atlas Copco UK Holdings Ltd.	*Hemel Hempstead*
	BeaconMedaes Ltd	*Markham Vale*
	C.A.S products Limited	*Bolton*
	Edwards Ltd.	*Burgess Hill*
	Glaston Compressor Services Limited	*Hemel Hempstead*
	Kinder-Janes Engineers Limited	*St Albans*
	Kingsdown Compressed Air Systems (Holdings) Limited	*Maidstone*
	Kingsdown Compressed Air Systems Limited	*Maidstone*
	Leybold UK Ltd.	*Chessington*
	Maziak Compressor Services Limited	*Wellingborough*
	Maziak Holdings 2022 Limited	*Wellingborough*
	Maziak Holdings Limited	*Wellingborough*
	Nano Purification Solutions Ltd	*Gateshead*
	Pennine Pneumatic Services Ltd	*Hemel Hempstead*
	Pneumatic Services Limited	*Hemel Hempstead*
	Precision Pneumatics Ltd	*Liverpool*
	Tentec Ltd.	*Wolverhampton*
	Walker Filtration Ltd. UK	*Washington*
	Wearside Pneumatics Ltd	*Newcastle*
U.S.A	Air & Gas Solutions LLC	*Charlotte*
	Atlas Copco Compressors LLC	*Rock Hill*
	Atlas Copco Comptec LLC	*Voorheesville*
	Atlas Copco IAS LLC	*Auburn Hills*
	Atlas Copco Mafi-Trench Company LLC	*Santa Maria*
U.S.A	Atlas Copco North America Inc.	*Parsippany*
	Atlas Copco Rental LLC	*Laporte*
	Atlas Copco Tools & Assembly Systems LLC	*Auburn Hills*
	BeaconMedaes LLC	*Rock Hill*
	C H Spencer LLC	*Salt Lake City*
	Chicago Pneumatic International Inc.	*Rock Hill*
	Chicago Pneumatic Tool Company LLC	*Rock Hill*
	Dekker Vacuum Technologies Inc	*Michigan City*
	Edwards Semiconductor Solutions LLC	*Saugerties*
	Edwards Vacuum, LLC	*Sanborn*
	Henrob Corporation	*New Hudson*
	Industrial Flow North America LLC	*Hollistone*
	Kracht Corp.	*Maumee*
	Leybold USA Inc.	*Wilmington*
	Montana Instruments Corporation	*Bozeman*
	Perceptron Inc.	*Plymouth*
	Perceptron Global Inc.	*Plymouth*
	Perceptron Software Technology , Inc.	*Plymouth*
	Powerhouse Equipment & Engineering Co. Inc.	*Delanco*
	Power Technique North America LLC	*Rock Hill*
	Quincy Compressor LLC	*Bay Minette*
	Vacuum Technique LLC	*Michigan City*
	Walker Filtration Inc. US	*Erie*
Uzbekistan	Atlas Copco Compressor and Power Technique	*Tashkent*
Venezuela	Atlas Copco Venezuela SA	*Valencia*
Vietnam	Atlas Copco Vietnam Company Ltd.	*Hanoi*
Zambia	Atlas Copco Industrial Zambia Limited	*Kitwe*

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Signatures of the Board of Directors

The Parent Company financial statements have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated financial statements have been prepared in accordance with International Accounting Standards as prescribed by the European Parliament and the Regulation (EC) No 1606/2002 dated July 19, 2002 on the application of International Accounting Standards. The Parent Company financial statements and the consolidated financial statements give a true and fair view of the Parent Company's and the Group's financial position and results of operations.

The administration report for the Group and Parent Company provides a true and fair overview of the development of the Group's and Parent Company's business activities, financial position and results of operations as well as the significant risks and uncertainties which the Parent Company and its subsidiaries are exposed to.

The Annual Report also contains the Group's and Parent Company's statutory sustainability report in accordance with the Swedish Annual Accounts Act.

Nacka the date as evidenced by our electronic signature

Hans Stråberg
Chair

Jumana Al-Sibai
Board member

Johan Forssell
Board member

Heléne Mellquist
Board member

Anna Ohlsson-Leijon
Board member

Vagner Rego
Board member
President and CEO

Gordon Riske
Board member

Peter Wallenberg Jr
Board member

Karin Rådström
Board member

Benny Larsson
Board member
Employee representative

Helena Hemström
Board member
Employee representative

Stockholm the date as evidenced by our electronic signature
Ernst & Young AB

Erik Sandström
Authorized Public Accountant

Atlas Copco AB is required to publish information included in this annual report in accordance with the Swedish Securities Market Act. The information was made public on March 20, 2025.

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Auditor's report

This is the translation of the auditor's report in Swedish
To the general meeting of the shareholders of Atlas Copco AB, corporate identity number 556014-2720

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Atlas Copco AB except for the corporate governance statement on pages 90–99 and the statutory sustainability report on pages 5–11 and 32–80, and quarterly data on page 117 for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 5–80, 82–87 and 90–159 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 90–99 and the statutory sustainability report on pages 5–11 and 32–80. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of goodwill

Description

As at December 31, 2024, the total value of goodwill amounts to 51.8 billion SEK and is allocated to the group's cash generating units. Goodwill is tested for impairment annually and whenever there are indicators of impairment. The test is carried out by comparing the recoverable amount to the carrying value. To calculate the recoverable amount, management apply significant judgment and estimates regarding future cash flows, terminal growth rate and discount rates. The impairment test for 2024 did not result in any impairment loss.

Disclosures related to the group's material accounting principles and key sources of uncertainty in estimates and judgements are provided in note 1 and disclosures related to goodwill and the impairment test performed are provided in note 11.

Based on carrying value of the goodwill and the high degree of management estimate required to perform the impairment tests, we have assessed the accounting for the valuation of goodwill as a key audit matter in our audit.

How our audit addressed this key audit matter

In the audit, we have evaluated the group's process for conducting impairment tests. We have further examined how the group, based on established criteria, identifies cash-generating units.

With support from our internal valuation specialists, we have evaluated the valuation methods used. We have assessed the reasonableness of significant assumptions and reviewed these through sensitivity analyses as well as, where possible, comparison to historical outcome, external sources, and comparable benchmark companies.

Finally, we have assessed the appropriateness of the disclosures provided in the annual report.

Revenue recognition

Description

The group recognizes revenue from a wide range of geographical markets and the revenues are generated from different product- and product related offerings ranging from equipment, service, and rental to the customers. The appropriate timing of revenue recognition can vary from a point in time to recognition over time. Significant estimates and judgement may be required in assessing if control has been transferred to the customer and to determine the satisfaction of performance obligations.

The group's decentralized organization where revenues are generated from a large number of subsidiaries further increases the complexity of ensuring that the revenue recognition principles are consistently applied across the group.

Disclosures related to the group's material accounting principles and key sources of uncertainty in estimates and judgements are provided in note 1 and note 3 provides disclosures regarding revenue disaggregated by operating segment and geography.

Based on the above, we have assessed the revenue recognition as a key audit matter in our audit.

How our audit addressed this key audit matter

In our audit we have assessed the group's processes for revenue recognition. Further, we have reviewed the group's accounting manual and assessed whether the policies for revenue recognition are in accordance with the applicable accounting standards.

We have obtained an understanding of the different types of significant revenue contracts and evaluated the identified performance obligations and determinations made regarding when performance obligations are

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considered satisfied. In addition, we have performed detailed revenue transaction testing and data analytical procedures to assess the revenue recognition.

We have assessed the appropriateness of the disclosures provided in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–4, 88–89 and 164–166 as well as quarterly data on page 117. The other information also includes the remuneration report which we obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Atlas Copco AB for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

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Auditor's report, continued

Basis for opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Atlas Copco AB for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the Esef report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of Atlas Copco AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

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Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 90–99 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

The Board of Directors is responsible for the statutory sustainability report on pages 5–11 and 32–80, and that it is prepared in accordance with the Annual Accounts Act, in accordance with the old version in force before 1 July 2024.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB with Erik Sandström as auditor in charge, Box 7850, 103 99 Stockholm, was appointed auditor of Atlas Copco AB by the general meeting of the shareholders on 24 April 2024 and has been the company's auditor since 23 April 2020.

Stockholm the date as evidenced by our electronic signature
Ernst & Young AB

Erik Sandström
Authorized Public Accountant

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Reference is made in the Annual Report to a number of financial performance measures which are not defined according to IFRS. These performance measures provide complementary information and are used to help investors as well as Group Management analyze the company's operations and facilitate an evaluation of the performance. Since not all companies calculate financial performance measures in the same manner, these are not always comparable with measures used by other companies. These financial performance measures should therefore not be regarded as a replacement for measures as defined according to IFRS.

Adjusted operating profit
Operating profit (earnings before interest and tax), excluding items affecting comparability.

Adjusted operating profit margin
Operating profit margin excl. items affecting comparability.

Average number of shares outstanding
The weighted average number of shares outstanding before or after dilution. Shares held by Atlas Copco are not included in the number of shares outstanding. The dilutive effects arise from the stock options that are settled in shares or that at the employees' choice can be settled in shares or cash in the share based incentive programs. The stock options have a dilutive effect when the average share price during the period exceeds the exercise price of the options.

Capital employed
Average total assets less non-interest-bearing liabilities/provisions. Capital employed for the business areas excludes cash, tax liabilities and tax receivables.

Capital employed turnover ratio
Revenues divided by average capital employed.

Capital turnover ratio
Revenues divided by average total assets.

Debt/equity ratio
Net indebtedness in relation to equity, including non-controlling interests.

Dividend yield
Dividend divided by the average share price quoted of the A share.

Earnings per share
Profit for the period attributable to owners of the parent divided by the average number of shares outstanding.

EBITA – Earnings before Interest, Taxes, and Amortization
Operating profit plus amortization and impairment of intangibles related to acquisitions.

EBITA margin
EBITA as a percentage of revenues.

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization
Operating profit plus depreciation, amortization and impairment.

EBITDA margin
EBITDA as a percentage of revenues.

Equity/assets ratio
Equity including non-controlling interests, as a percentage of total assets.

Equity per share
Equity including non-controlling interests divided by the average number of shares outstanding.

Items affecting comparability
Restructuring costs, capital gains/losses, impairments, changes in provision for share-related long-term incentive program and other items with the character of affecting comparability.

Net cash flow
Change in cash and cash equivalents excluding currency exchange rate effects.

Net debt/EBITDA ratio
Net indebtedness in relation to EBITDA.

Net indebtedness/net cash position
Borrowings plus post-employment benefits minus cash and cash equivalents and other current financial assets, adjusted for the fair value of interest rate swaps.

Net interest expense
Interest expense less interest income.

Operating cash flow
Cash flow from operations and cash flow from investments, excluding company acquisitions/divestments
and currency hedges of loans.

Operating cash surplus
Operating profit adding back depreciation, amortization and impairments as well as capital gains/losses and other non-cash items.

Operating profit
Revenues less all costs related to operations, but excluding net financial items and income tax expense.

Operating profit margin
Operating profit as a percentage of revenues.

Organic growth
Sales growth that excludes translation effects from exchange rate differences, and acquisitions/divestments.

Profit margin
Profit before tax as a percentage of revenues.

Return on capital employed (ROCE)
Profit before tax plus interest paid and foreign exchange differences (for business areas: operating profit) as a percentage of capital employed.

Return on equity
Profit for the period, attributable to owners of the parent as a percentage of average equity, excluding non-controlling interests.

Total return to shareholders
Share price performance including reinvested dividends and share redemptions.

Weighted average cost of capital (WACC)

$$\frac{\text{interest-bearing liabilities} \times i + \text{market capitalization} \times r}{\text{interest-bearing liabilities} + \text{market capitalization}}$$

i: An estimated average risk-free interest rate of 4% plus a premium of 0.5%.
An estimated standard tax rate has been applied.
r: An estimated average risk-free interest rate of 4% plus an equity risk premium of 5%.

* Atlas Copco AB has chosen to present the company's alternative performance measures in accordance with the guidance by the European Securities and Markets Authority (ESMA) in a separate appendix. The appendix is published on www.atlascopcogroup.com/en/investors/financials/key-financials/financial-definitions

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Orders, revenues and profit	2024	2023	2022	2021
Orders, MSEK	171 115	170 627	158 092	129 545
Revenues, MSEK	176 771	172 664	141 325	110 912
Change, organic from volume, price and mix, %	2	14	12	14
EBITDA, MSEK	46 951	44 852	36 549	29 025
EBITDA margin, %	26.6	26.0	25.9	26.2
Operating profit, MSEK	38 166	37 091	30 216	23 559
Operating profit margin, %	21.6	21.5	21.4	21.2
Net interest expense, MSEK	–258	–521	–166	–234
Profit before tax, MSEK	37 800	36 442	30 044	23 410
Profit margin, %	21.4	21.1	21.3	21.1
Profit for the year, MSEK	29 794	28 052	23 482	18 134

Employees	2024	2023	2022	2021
Average number of employees	54 206	51 110	45 781	41 272
Revenues per employee, SEK thousands	3 261	3 378	3 087	2 687

Cash flow	2024	2023	2022	2021
Operating cash surplus, MSEK	47 099	45 781	36 978	28 952
Cash flow before change in working capital, MSEK	37 263	35 628	29 600	23 870
Change in working capital, MSEK	2 068	–5 775	–7 415	–244
Cash flow from investing activities, MSEK	–13 322	–9 388	–15 503	–6 121
Gross investments in other property, plant and equipment, MSEK	–4 236	–3 987	–3 660	–1 970
Gross investments in rental equipment, MSEK	–2 526	–1 814	–884	–510
Net investments in rental equipment, MSEK	–2 444	–1 769	–808	–474
Cash flow from financing activities, MSEK	–15 864	–18 276	–14 651	–10 323
of which dividends paid, MSEK	–13 652	–11 211	–9 250	–8 889
Operating cash flow, MSEK	30 981	23 192	17 099	19 378

Financial position and return	2024	2023	2022	2021
Total assets, MSEK	208 538	182 684	172 301	136 683
Capital turnover ratio	0.89	0.94	0.91	0.88
Capital employed, average MSEK	138 593	125 133	106 054	87 537
Capital employed turnover ratio	1.28	1.38	1.33	1.27
Return on capital employed, %	28	30	29	27
Net indebtedness, MSEK	18 102	23 441	26 570	8 151
Net debt/EBITDA, MSEK	0.4	0.5	0.7	0.3
Equity, MSEK	113 760	91 500	80 026	67 634
Debt/equity ratio, %	16	26	33	12
Equity/assets ratio, %	55	50	46	49
Return on equity, %	29	32	32	30

Key figures per share	2024	2023	2022	2021[1]
Basic earnings / diluted earnings, SEK	6.11/6.10	5.76 / 5.75	4.82 / 4.81	3.72 / 3.71
Dividend, SEK	3.00[2]	2.80	2.30	1.90
Dividend as % of basic earnings	49.1	48.6	47.7	51.0
Dividend yield, %	1.6	1.9	2.0	1.4
Redemption of shares, SEK	–	–	–	2.00
Operating cash flow, SEK	6.36	4.76	3.51	3.98
Equity, SEK	23	19	16	14
Share price, December 31, A share / B share, SEK	168.9/ 149.5	173.6 / 149.4	123.1 / 111.1	156.5 / 133.1
Highest price quoted, A share / B share, SEK	206.4/178.5	174.2 / 150.0	161.2 / 136.3	157.4 / 133.4
Lowest price quoted, A share / B share, SEK	159.8/139.5	119.4 / 106.5	92.5 / 83.2	108.5 / 94.8
Average closing price, A share / B share, SEK	183.4/160.1	144.2 / 126.1	117.9 / 104.4	134.9 / 114.9
Average number of shares, millions	4 873.6	4871.4	4 868.4	4 870.9
Diluted average number of shares, millions	4 881.7	4878.9	4 875.9	4 882.1
Number of shareholders, December 31	141 964	125 893	115 459	87 923
Market capitalization, December 31, MSEK	800 200	815 902	586 731	732 967

[1] Adjusted for share split in 2022
[2] Proposed by the Board

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