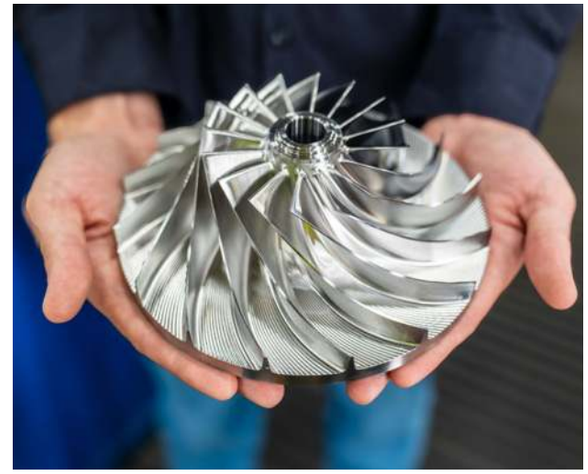
Annual Report 2025

Atlas Copco Group



Atlas Copco Group

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At the heart of every centrifugal compressor, impellers are 'aerodynamics in action'. Custom-engineered for high efficiency, impellers help deliver precise pressure, flow, and power for Atlas Copco Group customer applications across traditional and emerging energy industries.

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 in 2025 in accordance with the European Sustainability Reporting Standards (ESRS), which together with the EU Taxonomy regulation disclosures, on pages 57–60, constitutes the Group's statutory sustainability report. 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 5–90 and 93–162, excluding the quarterly data on page 120. The corporate governance report examined by the auditors can be found on pages 93–102.

● Sustainability information that has been reviewed by the auditors can be found on pages 31–48 and 52–84. This information constitutes the Group's statutory sustainability report.

Atlas Copco Group 2025

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A decentralized group with four business areas

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Key financial data

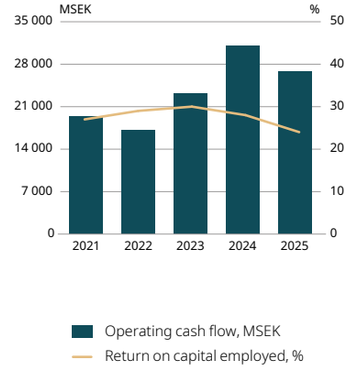
MSEK	2025	2024	2023	2022	2021
Orders received	165 814	171 115	170 627	158 092	129 545
Revenues	168 343	176 771	172 664	141 325	110 912
EBITDA	43 643	46 951	44 852	36 549	29 025
– in % of revenues	25.9	26.6	26.0	25.9	26.2
EBITA [1]	36 548	40 489	39 242	31 956	25 015
– in % of revenues	21.7	22.9	22.7	22.6	22.6
Operating profit	34 114	38 166	37 091	30 216	23 559
– in % of revenues	20.3	21.6	21.5	21.4	21.2
Adjusted operating profit	34 914	38 741	38 217	30 065	24 246
– in % of revenues	20.7	21.9	22.1	21.3	21.9
Profit before tax	33 671	37 800	36 442	30 044	23 410
– in % of revenues	20.0	21.4	21.1	21.3	21.1
Profit for the year	26 425	29 794	28 052	23 482	18 134
Basic earnings per share, SEK	5.43	6.11	5.76	4.82	3.72 [2]
Diluted earnings per share, SEK	5.42	6.10	5.75	4.81	3.71 [2]

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

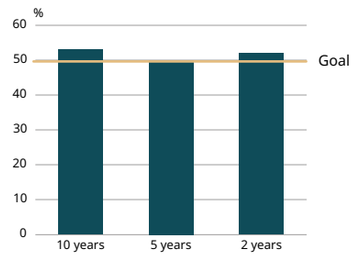
Orders received, revenues and operating margin



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 2025 is based on the proposal from the Board of Directors.

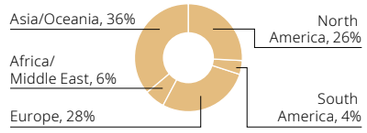
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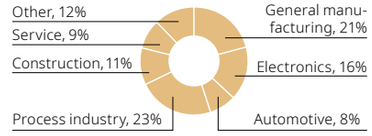
A decentralized group with four business areas

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 technologies for air and gas compression, vacuum and abatement, automated assembly and quality control, mobile energy management and power generation as well as portable and industrial flow technologies. In 2025, the Group had revenues of BSEK 168 and about 56 000 employees at year end.

Revenues by region, Group



Orders received by customer category, Group



Share of revenues, Group



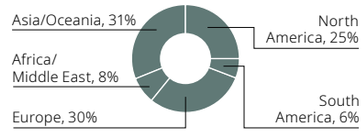
Compressor Technique

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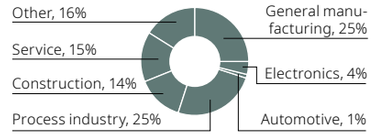
Orders received: MSEK 77 100
Revenues: MSEK 77 140
Operating margin: 24.7%

Compressor Technique's innovative technologies for air and gas compression, expansion, energy management and conversion, filtration, and treatment are designed to improve performance and efficiency across industrial applications.

Revenues by region



Orders received by customer category



Share of revenues



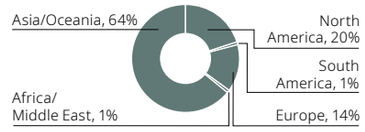
Vacuum Technique

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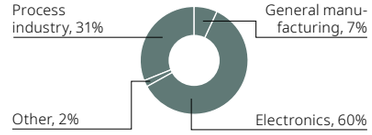
Orders received: MSEK 36 156
Revenues: MSEK 36 727
Operating margin: 18.4%

Vacuum Technique's sophisticated technologies for vacuum, exhaust management, cryogenic, maintenance and diagnostics are essential for a wide range of industries, such as semiconductor, scientific research, food packaging and renewable energy.

Revenues by region



Orders received by customer category



Share of revenues



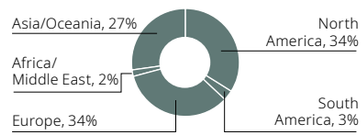
Industrial Technique

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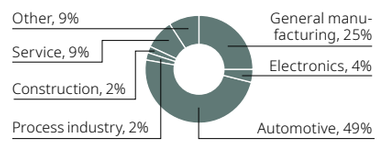
Orders received: MSEK 25 587
Revenues: MSEK 26 384
Operating margin: 17.8%

Industrial Technique's automated assembly and quality control systems include tightening robotics, automatic feeding and machine vision, and ensure optimal performance and data collection in industries like automotive, electronics, aerospace, energy, and general manufacturing.

Revenues by region



Orders received by customer category



Share of revenues



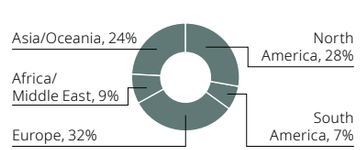
Power Technique

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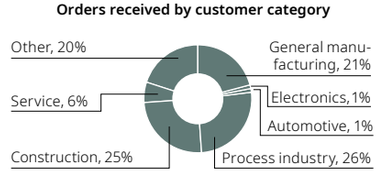
Orders received: MSEK 27 846
Revenues: MSEK 28 972
Operating margin: 16.7%

Power Technique's advanced mobile technologies for air compression, power generation, light and energy management as well as pump technologies for dewatering and industrial use ensure flexibility and efficiency in industrial and onsite applications.

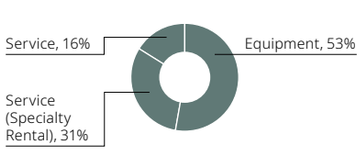
Revenues by region



Orders received by customer category



Share of revenues



Turning global challenges into local opportunities

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As we look back at 2025, I am proud to share how Atlas Copco Group continues to build on our foundation to deliver on our mission of sustainable, profitable growth. While the macroeconomic environment remains uncertain, our response is clear: we thrive by focusing on what we can control.



Our success is driven by innovation in key technologies, a relentless customer focus, and a resilient business model supported by an agile and curious organization. To reach our full potential, we continuously invest in long-term growth while staying flexible to adapt to short-term changes.

Our technologies power industries that shape the global economy – from manufacturing and construction to electronics and energy. In 2025, orders received reached MSEK 165 814 (171 115), and revenues were MSEK 168 343 (176 771). The operating profit reached MSEK 34 114 (38 166), corresponding to a margin of 20.3% (21.6). The return on capital employed was 24% (28).

Leveraging our global presence

Geopolitical tensions, rising protectionism, and shifting government priorities continue to impact investment decisions around the world. Tariffs, for example, increase costs and complexity, ultimately affecting consumers. While some market effects can be mitigated, rules and regulations that block cross-border trade are more concerning.

To manage this uncertainty, we focus on actions that are certain to bring near-term positive impact, while planning and preparing for what the future brings.

With operations in about 70 countries and presence in 180, our "local for local" strategy enables tailored solutions for local markets. Another key enabler is our strong service business, which keeps us close to customers and strengthens both competitiveness and loyalty. Our ambition is to produce where we sell and source where we produce. However, decisions to invest in new or extended manufacturing capabilities are always based on sound and long-term business cases for growth.

Balancing speed and efficiency

Our decentralized structure and asset-light operations allow us to adapt quickly to changing market conditions. Coupled with a culture of delegated authority, this empowers fast decision-making in close collaboration with each customer.

This agility is a strength, but speed must be balanced with efficiency. We cannot afford duplication or settle for incremental progress, and we continuously challenge ourselves by asking tough questions like: Are we using the right processes? Do we have the skills needed for tomorrow? Are we pushing the limits of what's possible? Through cross-functional collaboration, strategic improvements, and continuous operational development, we overcome many obstacles.

Beyond agility, decentralization builds a healthy internal talent pool. Many of our leaders, including myself, began their careers as trainees. This is a testament to the opportunities this Group offers to those who are committed to making a difference.

Another opportunity to increase efficiency in R&D and enhance the customer experience, particularly in service, is AI. In Atlas Copco Group, we do not have a separate AI strategy; instead we actively seek new opportunities to leverage AI for growth and optimize processes to improve speed and execution across all areas.

Investing in expertise

In 2025, we completed 29 acquisitions, strengthening both our capabilities and reach. These strategic investments complement our organic growth and allow us to deliver greater value through increased presence and adjacent technologies.

We continuously invest in R&D to develop technologies that support our customers in transitioning to more sustainable operations. Our products are designed with a life-cycle perspective, from sourcing

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Turning global challenges into local opportunities, continued

and manufacturing to usage and end-of-life, ensuring efficiency and reduced carbon footprint. In 2025, we invested 4% of revenues in R&D.

However, growth is not linear. Increased resources and investments must go hand in hand with efficiency and measurable outcomes. One example is our initiative to integrate newly acquired companies faster and more effectively, a challenge that also creates opportunities to deliver even greater value.

Next step in our climate transition journey

We will continue to explore new opportunities, develop more energy-efficient products, and support our customers in increasing their productivity. By using more energy-efficient products, customers can reduce their environmental footprint, and through our technologies we help enable a low-carbon society. The availability of low-carbon electricity remains the main limitation to a rapid decarbonization of the use phase of our products (scope 3 emissions). Most of our products already run on electricity, and we provide alternatives where possible to the ones that are not yet electrified. We continuously improve productivity in close partnership with our customers through increased efficiency and optimization. We support our customers in minimizing energy consumption, cost and emissions. We are doing our part. What is still needed is broader global engagement and the development of energy sources that support both us and our customers in fully achieving our shared ambitions.

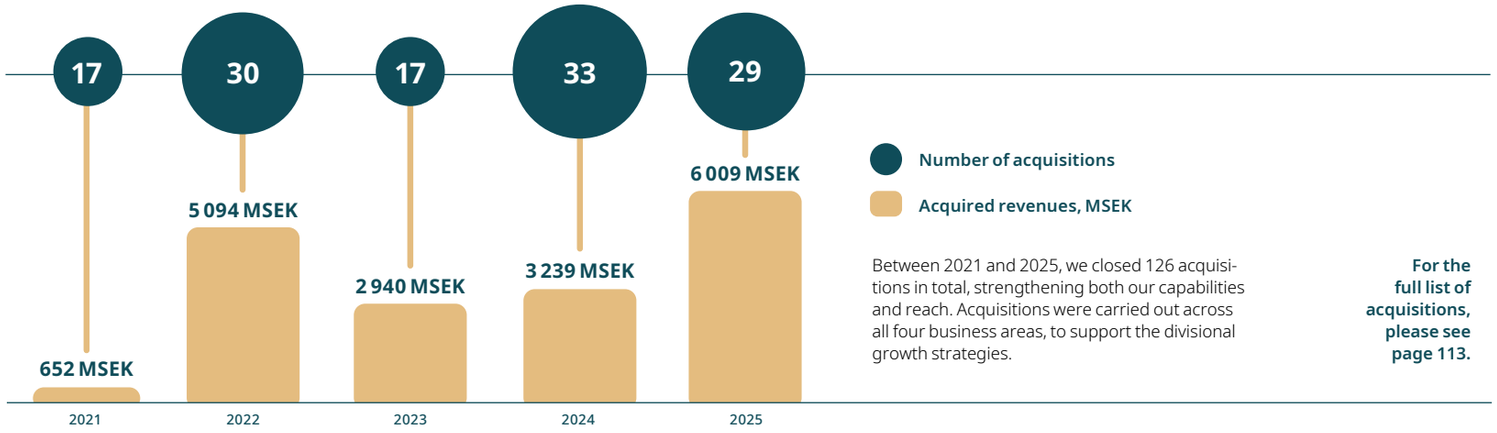
Committed to safety

This year we are deeply saddened to report we have had two work-related fatalities among our employees following serious incidents. Safety is a top priority for the Group and following any incident, thorough investigations are conducted to understand the circumstances and assess whether additional preventive measures can be identified. Where applicable, insights from such investigations are used to further strengthen safety measures and reinforce our safety culture. Our thoughts remain with the two employees' families, friends and colleagues.

Looking ahead

Creating long-term value is at the heart of everything we do. We will continue to invest in innovation, customer partnerships, and strategic growth opportunities. Our focus remains on delivering technologies that improve productivity, competitiveness, and sustainability for our customers. All while maintaining the agility and resilience that define Atlas Copco Group. In doing so, we create long-term value for all stakeholders.

Vagner Rego
President and CEO of Atlas Copco Group



Between 2021 and 2025, we closed 126 acquisitions in total, strengthening both our capabilities and reach. Acquisitions were carried out across all four business areas, to support the divisional growth strategies.

For the full list of acquisitions, please see page 113.

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- **Technology that transforms the future**

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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 for 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. We provide everyone within our organization with support and inspiration to learn and grow. We also include the perspectives of different stakeholders, such as 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 of 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 success. Energy efficiency, connectivity, and data-driven insights are often key to creating tangible customer value.

To ensure profitable growth over a business cycle, the Group focuses on service and aims to maintain 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 providing customers with 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 staying 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, 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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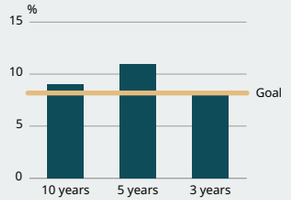
Our targets

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.

Financial

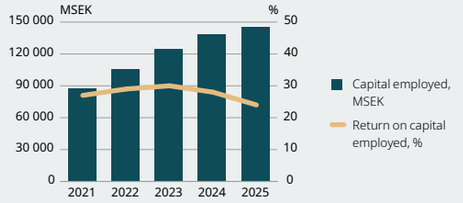
Revenue growth measured over a business cycle	**Target: 8% per annum**
Sustained high return on capital employed by constantly striving for operational excellence and generating growth	
Earnings as dividends to shareholders	**Target: about 50%**

Annual revenue growth rate, average [1]



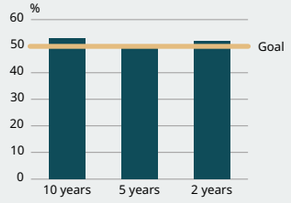
[1] Figures for the years 2016 and 2017 are best estimated numbers, as the effects of the distribution of Epiroc and restatements for IFRS 15 are not fully reconciled.

Capital employed and return



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 2025 is based on the proposal from the Board of Directors.

Environment

	2025	2024	2023	Target	Target year
Reduce CO_2e emissions (tonnes) from scopes 1 and 2, compared to the base year 2019[1]	–46%	–42%	–37%	–46%	2030
Reduce CO_2e emissions (tonnes) from scope 3, compared to the base year 2019[1]	+9%	+15%	+28%	–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	98%	96%	95%	100%	Annually
● Projects for new and redesigned products with applied circularity principles according to internal guidelines	38%			100%	2027
Reuse, recycle or recover waste from internal operations	93%	91%	91%	100%	2030
Increase share of significant direct suppliers with an approved environmental management system	37%	31%	31%	Continuous increase	Annually

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

Social

Increase share of women employees[2]	22.7%	22.6%	22.2%	30%	2030
● Increase share of women in leadership positions[2]	21.8%	21.4%	20.9%	25%	2030
Employees agree that they feel a sense of belonging in the company	76		77	Above the global benchmark (73, 76, 72) and a continuous increase	Biennially
Employees agree we have a work culture of respect, fairness and openness	77		76		Biennially
Employees agree there is opportunity to learn and grow in the company	73		75		Biennially
Employees agree that the company takes a genuine interest in their well-being	71		74	Continuous increase	Biennially
● Decrease number of recordable injuries per million working hours	4.2	4.0	4.5	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	Achieved	Achieved	Achieved		Continuously

[2] As of 2025, the US is excluded from the target, and the figures for 2023 and 2024 have been restated for comparability.

Governance

Employees who have signed the Group's Code of Conduct compliance statement	99%	99%	99%	100%	Annually
Employees who have participated in the Group's Code of Conduct leader-led training	99%		99%	100%	Biennially
● Employees in selected target groups who have participated in training in trade compliance	99%			100%	Alternating years as of 2025
● Employees in selected target groups who have participated in training in fair competition				100%	
Significant suppliers who have confirmed compliance with the Group's Code of Conduct by signing our Business partner criteria	94%	91%	90%	100%	Annually
Significant distributors who have confirmed compliance with the Group's Code of Conduct by signing our Business partner criteria	95%	94%	94%	100%	Annually
● Strategic significant suppliers[3] engaged in assessments on environmental, social and governance aspects				50%	2027

[3] The target ambition level was defined in 2025 and the definition was adjusted to prioritize strategic suppliers. Measurement was initiated in 2025 and reporting against this target will begin in 2026.

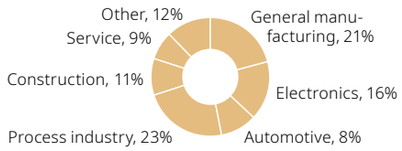
● New target as of 2025

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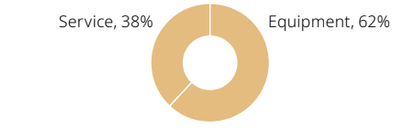
This is how we do business

Atlas Copco Group is characterized by focused businesses in selected market segments, a strong 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.

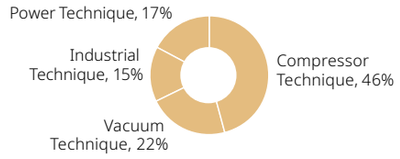
Orders received by customer category



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) 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 approximately 180 countries.

Equipment sales are 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 within 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

Service (spare parts, maintenance, repairs, consumables, accessories, and specialty rental) accounts for 38% of the Group's revenues, often generated from service contracts. An increased amount of connected equipment, data analytics, and the use of AI (Artificial Intelligence) create additional opportunities to support the service business in delivering value to our customers. The service business provides a strong foundation as revenues from service are generally more stable than revenues from equipment sales.

Increasing customer value

Customer focus is a guiding principle for Atlas Copco Group. Surveys are conducted regularly to learn from customers' experiences and opinions on interactions with the Group. Customers are also frequently 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 keep 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 the components that are critical to the equipment's performance. For other components, we leverage the capacity and expertise of 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 62% of revenues, and manufacturing and logistics are organized to respond 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 approximately 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 product functionality and quality. To optimize production flows, the assembly is typically lean, and the final product is generally shipped directly to the end user. The organization continuously strives 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, with research and development expenditures corresponding to about 4% of total revenues. The fundamental objective is to design and efficiently produce new and improved products that provide sustainable and tangible benefits to customers in terms of productivity, energy efficiency, and lower life-cycle costs. New hardware and software are developed by skilled engineers within the divisions. Atlas Copco Group protects its technical innovations with patents. Innovation also includes improved processes that 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 influenced by the relatively high share of sales through own customer centers, which affects the levels of inventory and receivables. In an improving business climate with higher volumes, more working capital will be tied up, whereas a deteriorating business climate will release working capital.

Acquisitions

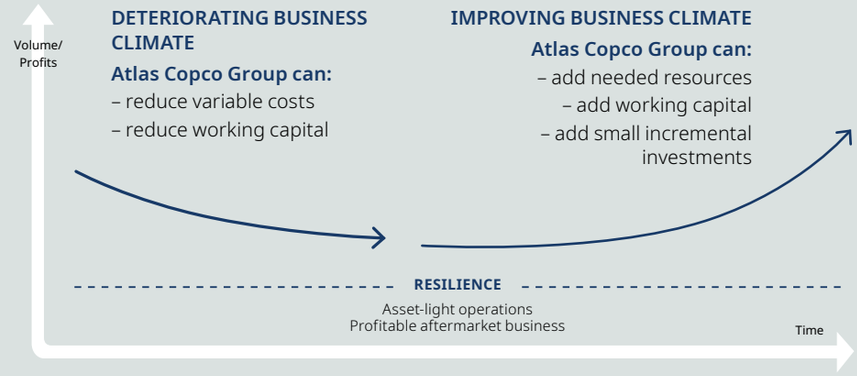
Acquisitions are primarily made within, or very close to, existing core businesses, with the aim to grow existing businesses or create new platforms for growth. All divisions are required to map and evaluate businesses that are adjacent to their existing businesses and that may offer tangible synergies. 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





AGILITY

Atlas Copco Group has organized its manufacturing and logistics to be able to quickly adapt to changes in the business climate.

This is how we do business, continued

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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 comprises both operating and legal units. Each operating unit has a business board reflecting the Group's operational structure. The business board serves in an advisory and decision-making capacity on strategic and operative matters. It also ensures the implementation of controls and assessments. Each legal company has a legal board that focuses on compliance and reflects the Group's legal structure.

The Board of Directors is responsible for the organization and management of the Group, regularly assessing the Group's financial situation, sustainability reporting, 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, in accordance with 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 includes 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 may 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) which may be dedicated to the division 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, 2026

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 and vision	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 strong commitment to people, customers, products, innovation, and sustainability. We believe there is always a better way of doing things and promote freedom with accountability. Several activities are conducted regularly to maintain and strengthen our corporate culture, including recurring workshops for employees on company values, strategy, and guidelines.

At Atlas Copco Group, leadership is about achieving sustainable results by nurturing our people's growth and enabling them to reach their full potential. We believe that competent and committed leaders are essential to achieving sustainable, profitable growth. Freedom to act, combined with accountability, is a guiding principle.

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

Atlas Copco Group's performance is closely linked to its success in being a good employer and in attracting and developing resourceful, motivated people. With a global business conducted through numerous companies, we focus on 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 talent by encouraging employees to take accountability for their own career and competence development. The Group supports 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, the Group provides accessible tools and targeted learning content, including both digital and leader-led courses and programs, to all employees.

If the Group needs to adapt capacity in a deteriorating business climate, the first step is to pause recruitment, while layoffs are considered only as a last resort.



Processes

Group-wide strategies, processes, principles, guidelines, and shared best practices are compiled in the handbook of policies and guidelines *The Way We Do Things*, which is accessible to all employees. While most processes are self-explanatory, managers receive regular training on their implementation. Wherever they are located, Atlas Copco Group's employees are expected to work in accordance with the established processes, principles and guidelines.

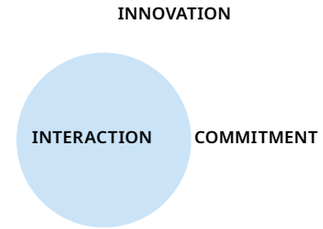
The handbook covers governance; safety, health, environment and quality; accounting and business control; treasury; tax; audit and internal control; Information technology (IT); people and culture; legal; communications and branding; risk and crisis management; administrative services; insurance; standardization; and acquisitions.

Atlas Copco Group's Code of Conduct

The Code of Conduct is the Group's central policy document and sets out the fundamental values and principles that all employees, the Group's business partners, and the Board of Directors are expected to follow. The principles are based on international frameworks such as the United Nations International Bill of Human Rights, the United Nations Global Compact, and the OECD Guidelines for Multinational Enterprises.

OUR CORE VALUES

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



INTERACTION

We engage and develop close relationships with customers, internally and externally, as well as with other stakeholders. This interaction takes place in many ways: in person, 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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Market review and demand

The overall demand for Atlas Copco Group's equipment and services remained relatively stable in 2025. Orders received were negatively affected by currency; however, adjusted for currency, order intake increased by 3%. The demand for service, including specialty rental solutions, remained good, and the order intake increased in all regions. In comparable currencies, the order intake for service increased by 7%, with positive contributions from all business areas and all regions.

The demand for equipment remained basically unchanged, and order intake increased by 2% in comparable currencies.

Order volumes for industrial compressors, small-sized as well as larger ones, decreased somewhat, primarily driven by weaker demand in the first half of the year. Demand for gas and process compressors remained robust in most regions, but due to weaker demand in Africa/Middle East, which was very strong last year, the overall order intake decreased. Order intake for vacuum equipment was mixed, with increased orders for industrial and scientific vacuum equipment, while orders for vacuum equipment to the semiconductor industry remained basically unchanged. Overall demand for industrial power tools, assembly, and vision solutions decreased due to lower investment activity in the automotive industry. The order intake to the general industry, on the other hand, increased. The demand for power equipment was mixed, with decreased order volumes for portable compressors, while orders for portable power and flow equipment, such as generators and portable pumps, increased notably. Order intake for industrial pumps also increased.

In total, the Group's order intake decreased by 3% to MSEK 165 814 (171 115). Currency had a negative effect of 6%, while acquisitions contributed 2%, resulting in an organic order growth of 1%. See further information in the business area sections on pages 18–30.

North America

The order intake in North America increased by 4% in local currencies. Orders for compressors increased, particularly for gas and process compressors and application-focused air and gas products, while the order development for industrial compressors used in more general applications was less favorable. The order intake for vacuum equipment decreased, driven by lower demand from the semiconductor industry. In contrast, order intake for industrial assembly and vision solutions increased, supported by automotive customers' growing demand for automation and flexibility, as well as by higher demand from specific customer segments in the general industry, such as aerospace. The order intake was also supported by contributions from acquisitions. Demand for power equipment was mixed, with decreased order volumes for portable compressors, while orders for portable generators and pumps increased. The order intake for the Group's service business also grew. In total, North America accounted for 26% (26) of orders received.

South America

Orders received in South America increased 11% in local currencies. The order intake increased in all business areas, most notably in Industrial Technique, supported by higher demand from both general industrial customers and the automotive industry. Orders for service increased, driven by increased demand for compressor service. In total, South America accounted for 5% (4) of orders received.

Europe

The order intake in Europe increased 3% in local currencies. Orders for industrial compressors as well as for gas and process compressors increased, primarily in the latter half of the year. However, the order intake for vacuum equipment decreased due to weaker demand from the semiconductor industry. The order intake for industrial assembly and vision solutions decreased notably, primarily driven by significantly lower demand from the automotive industry. In contrast, orders for power equipment increased due to solid order growth for generators and pumps, while orders for portable compressors remained basically unchanged. Solid order growth for service was achieved with order growth in all business areas. In total, Europe accounted for 27% (27) of orders received.

Africa/Middle East

Orders received decreased by 4% in Africa/Middle East in local currencies. The lower order intake was mainly due to weaker demand for industrial compressors, and gas and process compressors. In total, Africa/Middle East accounted for 6% (7) of orders received.

Asia/Oceania

The order intake in local currencies in Asia/Oceania increased by 5%. The demand for compressors weakened, and order intake for industrial, as well as gas and process compressors decreased. Orders for vacuum equipment, in contrast, increased, both from the semiconductor and general industries. The order intake for industrial assembly and vision solutions also decreased, driven by weaker demand from the automotive industry, while orders from general industrial customers developed more positively, supported by increased demand from the electronics industry. Solid order growth was achieved for power equipment, such as portable compressors, generators, and pumps. The order intake for service increased in all business areas, except for the specialty rental business, which remained essentially unchanged. Asia/Oceania accounted for 36% (36) of orders received.

Market presence

Atlas Copco Group had own customer centers in 72 (73) countries and production facilities in 28 (28) countries. Revenues were reported in 180 (179) countries.

Important events – before and after period end

Acquisitions and divestments

The Group completed 29 acquisitions during the year. In total, the acquisitions added net revenues of approximately MSEK 4 370 compared to the previous year. See further information in note 2 and in the business area sections on pages 18–30.

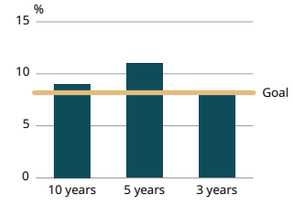
Changes in Group Management

As of January 1, 2025, Koen Lauwers became a member of Group Management, after being appointed President of the Vacuum Technique business area. He was previously President of the Semiconductor division within the Vacuum Technique business area.

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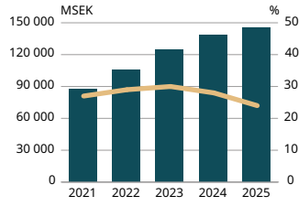
Financial targets – growth and return development

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



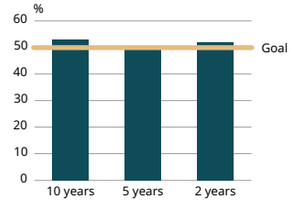
The Group's target for annual revenue growth is 8%, measured over a business cycle. At the same time, the ambition is to grow faster than the most important competitors. Growth should primarily be organic, supported by selective acquisitions.

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 2016 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 2025 is based on the proposal from the Board of Directors.

Orders received by region and order development in local currency



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Revenues and return

Revenues

The Group's revenues decreased 5% to MSEK 168 343 (176 771), corresponding to a 1% organic decrease. Currency had a negative effect of 6%, while acquisitions contributed 2% during the year. The Group's target is to achieve an annual revenue growth of 8% over a business cycle. For the period 2016–2025, the average annual revenue growth has been 9%*.

Operating profit

The operating profit reached MSEK 34 114 (38 166), corresponding to a margin of 20.3% (21.6). Items affecting comparability amounted to MSEK –800 (–575) of which the change in provision for share-related long-term incentive programs, reported in Common Group Items, was MSEK –102 (–268). Other items affecting comparability include restructuring costs of MSEK –698 in total, in the business areas Vacuum Technique and Industrial Technique. The adjusted operating profit decreased 10% to MSEK 34 914 (38 741), corresponding to a margin of 20.7% (21.9). See the sales and profit bridge below.

* Currency adjusted. Figures for the years 2016–2017 are best estimated numbers, as the effects of the distribution of Epiroc and restatements for IFRS 15 are not fully reconciled.

The operating profit for the Compressor Technique business area decreased by 3% to MSEK 19 083 (19 716), corresponding to a margin of 24.7% (25.2). Currency had a small positive effect on the margin, while dilution from acquisitions, sales mix, and increased costs related to trade tariffs had a negative effect.

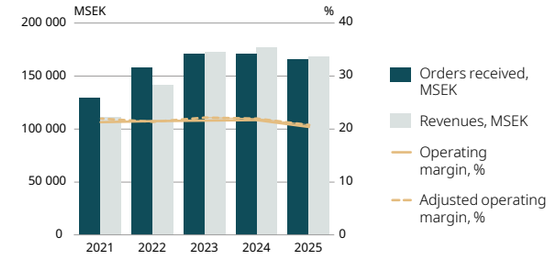
The operating profit for the Vacuum Technique business area decreased 21% to MSEK 6 765 (8 541) and includes restructuring costs of MSEK –384. The adjusted operating profit reached MSEK 7 149 (8 545). The previous year included items affecting comparability of MSEK –4 in total. The adjusted operating margin was 19.5% (21.1), primarily affected negatively by currency and lower revenue volumes, although dilution from acquisitions and increased costs related to trade tariffs also affected the margin negatively.

The operating profit for the Industrial Technique business area decreased 23% to MSEK 4 692 (6 066) and includes restructuring costs of MSEK –314. The adjusted operating margin was 19.0% (21.1). The main reasons for the lower margin were lower revenue volumes and a negative currency effect, although dilutions from acquisitions and increased costs related to trade tariffs also affected the margin negatively.

The operating profit for the Power Technique business area decreased 12% to MSEK 4 842 (5 488), corresponding to a margin of 16.7% (18.5). The lower margin was mainly driven by lower revenue volumes, a negative currency effect, higher functional costs in relation to sales, and lower utilization of the rental fleet. Acquisitions had only a marginal dilutive effect on the margin.

Net costs for common Group items and eliminations were MSEK –1 268 (–1 645). The decrease was partly due to the provisions for share-related long-term incentive programs of MSEK –102 (–268).

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
2024, MSEK	**79 976**	**78 259**	**36 629**	**40 441**	**27 656**	**29 522**	**27 866**	**29 622**
Structural change, %	+2	+2	+1	+2	+2	+1	+6	+5
Currency, %	–6	–7	–6	–6	–6	–6	–7	–6
Organic*, %	+0	+4	+4	–5	–3	–6	+1	–1
Total, %	–4	–1	–1	–9	–7	–11	+0	–2
2025, MSEK	**77 100**	**77 140**	**36 156**	**36 727**	**25 587**	**26 384**	**27 846**	**28 972**

* Volume, price and mix.

Sales bridge, Atlas Copco Group	Orders received	Revenues
2024, MSEK	**171 115**	**176 771**
Structural change, %	+2	+2
Currency, %	–6	–6
Organic*, %	+1	–1
Total, %	–3	–5
2025, MSEK	**165 814**	**168 343**

* Volume, price and mix.

Bridge – revenues and operating profit, MSEK	2025	Volume, price, mix and other	Currency	Acquisitions	Items affecting comparability	Share-based long-term incentive programs	2024
Revenues	168 343	–1 553	–11 245	4 370	–		176 771
Operating profit	34 114	–627	–3 400	200	–391	166	38 166
Margin, %	20.3%						21.6%

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Revenues and return, continued

Depreciation and EBITDA

Depreciation, amortization and impairment costs were MSEK 9 557 (8 813), and earnings before depreciation and amortization, EBITDA, reached MSEK 43 643 (46 951), corresponding to a margin of 25.9% (26.6).

Net financial items

The Group's net financial items totaled MSEK –443 (–366) whereof interest net was MSEK –282 (–258). Other financial items were MSEK –161 (–108). See notes 7 and 26.

Profit before tax

Profit before tax decreased 11% to MSEK 33 671 (37 800). Excluding items affecting comparability, profit before tax was MSEK 34 471 (38 375), corresponding to a margin of 20.5% (21.7).

Taxes

Taxes for the year amounted to MSEK –7 246 (–8 006), corresponding to an effective tax rate of 21.5% (21.2) in relation to profit before tax. For more information, see note 8.

Profit and earnings per share

Profit for the year decreased 11% to MSEK 26 425 (29 794). This corresponds to basic and diluted earnings per share of SEK 5.43 (6.11) and SEK 5.42 (6.10) respectively.

Depreciation, amortization and impairment, MSEK	2025	2024
Rental equipment	1 344	1 098
Other property, plant and equipment	2 363	2 244
Right-of-use assets	2 018	1 855
Intangible assets	3 832	3 616
Total	**9 557**	**8 813**

Key financial data, MSEK	2025	2024	Change, %
Orders received	165 814	171 115	–3%
Revenues	168 343	176 771	–5%
EBITDA	43 643	46 951	
– in % of revenues	25.9	26.6	
EBITA [1]	36 548	40 489	
– in % of revenues	21.7	22.9%	
Operating profit	34 114	38 166	–11%
– in % of revenues	20.3	21.6	
Adjusted operating profit	34 914	38 741	–10%
– in % of revenues	20.7	21.9	
Profit before tax	33 671	37 800	–11%
– in % of revenues	20.0	21.4	
Profit for the year	26 425	29 794	–11%
Basic earnings per share, SEK	5.43	6.11	
Diluted earnings per share, SEK	5.42	6.10	

[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	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Compressor Technique	77 140	78 259	19 083	19 716	24.7	25.2	78	85	1 605	1 760
Vacuum Technique	36 727	40 441	6 765	8 541	18.4	21.1	17	20	1 501	1 358
Industrial Technique	26 384	29 522	4 692	6 066	17.8	20.5	17	21	543	604
Power Technique	28 972	29 622	4 842	5 488	16.7	18.5	14	18	2 423	2 940
Common Group functions/eliminations	–880	–1 073	–1 268	–1 645					247	102
Total Group	**168 343**	**176 771**	**34 114**	**38 166**	**20.3**	**21.6**	**24**	**28**	**6 319**	**6 764**

[1] Excluding right-of-use assets.

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Revenues and return, continued

Balance sheet

The Group's total assets decreased 3% to MSEK 202 454 (208 538). Cash, cash equivalents and other current financial assets decreased to MSEK 16 129 (19 402), as a net effect of operational cash generation (see next page), dividend to shareholders of MSEK –14 606 (–13 647), and acquisitions of MSEK –11 560 (–7 424).

Working capital ratios

The ratio of inventories to revenues at year end decreased to 15.8 % (16.4), and trade receivables was 17.8% (19.1). Trade payables were 9.7% (9.5).

Capital turnover

The capital turnover ratio was 0.83 (0.89) and the capital employed turnover ratio was 1.16 (1.28).

Equity

At year end, Group equity including non-controlling interests was MSEK 110 383 (113 760), corresponding to 55% (55) of total assets. Equity per share was SEK 23 (23). Atlas Copco AB's market capitalization at year end was BSEK 790 (800), a decrease of 1%. The information related to public takeover bids is the same as for the Parent Company and described on page 17.

Total comprehensive income for the year was MSEK 11 441 (36 113). See page 104 and note 20. Shareholders' transactions include dividends totaling MSEK –14 610 (–13 652), sales and repurchases of own shares of net MSEK –84 (45), and share-based payments of net MSEK –250 (–238). See page 106 and note 20.

Return on capital employed and return on equity

Return on capital employed reached 24% (28) and the return on equity was 24% (29). 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, 2025	Dec 31, 2024
Intangible assets	77 078	77 107
Rental equipment	7 811	5 947
Other property, plant and equipment	18 349	17 745
Right-of-use assets	7 345	7 133
Other fixed assets	4 853	5 095
Inventories	26 659	29 012
Receivables	44 042	47 097
Current financial assets	606	434
Cash and cash equivalents	15 523	18 968
Assets classified as held for sale	188	–
Total assets	**202 454**	**208 538**
Total equity	110 383	113 760
Interest-bearing liabilities	36 782	37 504
Non-interest-bearing liabilities	55 289	57 274
Total equity and liabilities	**202 454**	**208 538**

Equity, MSEK	2025	2024
Opening balance	113 760	91 500
Profit for the year	26 425	29 794
Other comprehensive income for the year	–14 984	6 319
Shareholders' transactions	–14 606	–13 647
Change of non-controlling interests	–	–8
Acquisition and divestment of own shares	–84	45
Share-based payments, equity settled	–250	–238
Closing balance	110 383	113 760
Equity attributable to		
– owners of the parent	110 206	113 700
– non-controlling interests	177	60

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Revenues and return, continued

Interest-bearing debt and net indebtedness

Total interest-bearing debt was MSEK 36 782 (37 504), whereof MSEK 1 883 (2 740) in post-employment benefits. The Group has an average maturity of 4.6 years on interest-bearing liabilities. See notes 21 and 23 for additional information. The Group's net indebtedness amounted to MSEK 20 665 (18 102) at year end. The net debt/EBITDA ratio was 0.5 (0.4) and the debt/equity ratio was 19% (16).

Credit rating

Atlas Copco AB's long-term and short-term debt is rated by Fitch and Moody's with the long-/short-term rating A+/F1+ and A1/P1, respectively.

Operating cash flow and investments

Operating cash surplus was MSEK 43 349 (47 099). Cash flows from financial items were MSEK –527 (151). Net pension funding and payments were MSEK –517 (–517). The working capital decreased by MSEK 1 618 (decrease of 2 068), primarily due to lower trade receivables. Net investments in rental equipment were MSEK 1 949 (2 444).

Gross investments in property, plant and equipment increased to MSEK 4 284 (4 236). In 2025, Compressor Technique made notable investments in a production facility for gas and process compressors in the USA, an extension of a production site for expanders in the USA, and the production and R&D facility in China.

Vacuum Technique invested in a production facility for dry vacuum pumps in the USA, new machinery for a production facility for high vacuum pumps in India, and a production facility for turbo pumps in Japan. Industrial Technique invested in new machinery for a production facility in Sweden, and in automation of rivet production in a facility in the USA. Power Technique made investments in a production facility for portable compressors in China, a new production hall for electric portable compressors in Belgium, an extension of a production facility for portable compressors in India, and two new industrial pump factories in India. Cash received from sale of property, plant and equipment equaled MSEK 165 (74).

Net investments in intangible assets, mainly related to capitalization of product development expenditures, were MSEK 1 903 (1 788). Net investments in other assets were MSEK –38 (52). In total, the operating cash flow reached MSEK 26 796 (30 981).

Cash flow from structural changes

The net cash flow from structural changes, i.e. acquisitions and divestments, amounted to MSEK –11 560 (–7 424). See also note 2.

Cash flow from financing

Dividends paid amounted to MSEK –14 606 (–13 647). Sales and repurchases of own shares resulted in a net of MSEK –84 (45), all related to hedging or deliveries of shares for the long-term incentive plans described on page 132. Change in interest-bearing liabilities was MSEK –1 677 (–2 238).

Employees

In 2025, the average number of employees in the Group increased by 1 343 to 55 549. At year end, the number of employees was 56 413 (55 146), and the number of consultants/external workforce was 3 077 (3 001). For comparable units, the total workforce decreased by 642. See also note 4.

Calculation of operating cash flow, MSEK	2025	2024
Operating cash surplus	43 349	47 099
Net financial items	–527	151
Taxes paid	–9 408	–9 470
Pension funding	–517	–517
Change in working capital	1 618	2 068
Increase in rental equipment, net	–1 949	–2 444
Cash flows from operating activities	**32 566**	**36 887**
Investments of property, plant and equipment, net	–4 119	–4 162
Other investments, net	–1 941	–1 736
Cash flow from investments	**–6 060**	**–5 898**
Adjustment for currency hedges of loans	290	–8
Operating cash flow	**26 796**	**30 981**

Average number of employees (FTE)	2025	2024
Atlas Copco Group	55 549	54 206
– Sweden	1 721	1 680
– Outside Sweden	53 828	52 526
Business areas		
– Compressor Technique	24 203	22 956
– Vacuum Technique	12 571	12 801
– Industrial Technique	10 173	10 196
– Power Technique	7 635	7 338
– Common Group functions	967	915

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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 12 853 (20 599) and profit for the year amounted to MSEK 12 549 (20 191). The difference between the years is mainly due to decreased dividends from Group Companies.

Financing

The total assets of the Parent Company were MSEK 203 454 (204 674). At year end 2025, cash and cash equivalents amounted to MSEK 0 (0) and interest-bearing liabilities amounted to MSEK 35 269 (35 002). Equity represented 82% (82) of total assets and non-restricted equity totaled MSEK 160 430 (162 807).

Employees

The average number of employees in the Parent Company was 135 (126).

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 85–90.

Appropriation of profit

The Board of Directors proposes to the Annual General Meeting 2026 an ordinary dividend of SEK 3.00 (3.00) per share for the 2025 fiscal year, and an additional distribution of SEK 2.00 per share resulting in a total combined dividend of SEK 5.00 per share. This corresponds to a total capital distribution of MSEK 24 353 (14 606) to the shareholders, and excludes shares currently held by the company.

To facilitate a more efficient cash management, the total combined dividend is proposed to be paid in two equal installments of SEK 2.50 each, the first with record date April 30, 2026, and the second with record date October 20, 2026.

SEK	
Retained earnings including reserve for fair value	147 880 754 770
Profit for the year	12 549 489 923
	160 430 244 693
The Board of Directors proposes that these earnings be appropriated as follows:	
To the shareholders, a dividend of SEK 5.00 per share	24 352 937 625
To be retained in the business	136 077 307 068
Total	**160 430 244 693**

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 47 864 891 class A shares and 0 class B shares held by the Group, 4 870 587 525 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 2025, Investor AB held a total of 840 053 755 shares, representing 22.4% of the votes and 17.1% 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, 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.

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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 19

Compressor Technique's innovative technologies for air and gas compression, expansion, energy management and conversion, filtration, and treatment are designed to improve performance and efficiency across industrial applications.



Key figures, MSEK	2025	2024	Change, %
Orders received	77 100	79 976	–4%
Revenues	77 140	78 259	–1%
EBITA*	19 696	20 302	
– as a percentage of revenues	25.5	25.9	
Operating profit	19 083	19 716	–3%
Operating margin, %	24.7	25.2	
Return on capital employed, %	78	85	
Investments	1 605	1 760	
Average number of employees	24 203	22 956	

* Operating profit excluding amortization of intangibles related to acquisitions.

Industrial Technique, page 25

Industrial Technique's automated assembly and quality control systems include tightening robotics, automatic feeding and machine vision, and ensure optimal performance and data collection in industries like automotive, electronics, aerospace, energy, and general manufacturing.



Key figures, MSEK	2025	2024	Change, %
Orders received	25 587	27 656	–7%
Revenues	26 384	29 522	–11%
EBITA*	5 149	6 574	
– as a percentage of revenues	19.5	22.3	
Operating profit	4 692	6 066	–23%
Operating margin, %	17.8	20.5	
Return on capital employed, %	17	21	
Investments	543	604	
Average number of employees	10 173	10 196	

* Operating profit excluding amortization of intangibles related to acquisitions.

Vacuum Technique, page 22

Vacuum Technique's sophisticated technologies for vacuum, exhaust management, cryogenic, maintenance and diagnostics are essential for a wide range of industries, such as semiconductor, scientific research, food packaging and renewable energy.



Key figures, MSEK	2025	2024	Change, %
Orders received	36 156	36 629	–1%
Revenues	36 727	40 441	–9%
EBITA*	7 551	9 316	
– as a percentage of revenues	20.6	23.0	
Operating profit	6 765	8 541	–21%
Operating margin, %	18.4	21.1	
Return on capital employed, %	17	20	
Investments	1 501	1 358	
Average number of employees	12 571	12 801	

* Operating profit excluding amortization of intangibles related to acquisitions.

Power Technique, page 28

Power Technique's advanced mobile technologies for air compression, power generation, light and energy management as well as pump technologies for dewatering and industrial use ensure flexibility and efficiency in industrial and onsite applications.



Key figures, MSEK	2025	2024	Change, %
Orders received	27 846	27 866	0%
Revenues	28 972	29 622	–2%
EBITA*	5 420	5 943	
– as a percentage of revenues	18.7	20.1	
Operating profit	4 842	5 488	–12%
Operating margin, %	16.7	18.5	
Return on capital employed, %	14	18	
Investments	2 423	2 940	
Average number of employees	7 635	7 338	

* Operating profit excluding amortization of intangibles related to acquisitions.

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Compressor Technique

Order volumes for equipment decreased somewhat, while the order intake for service increased, with solid order growth in most regions. In total, order intake increased in all regions except Africa/Middle East. The business area continued to invest in product development, its operational footprint, and digital capabilities, and completed 22 acquisitions during the year.

Market development

The overall demand for equipment and service remained basically unchanged, with a slightly better order development in the latter half of the year compared to the first six months. In total, the order intake was flat organically compared to the previous year.

The demand for service increased, with solid order growth in most regions. The higher organic order intake was driven by increased demand for spare parts, maintenance, repair services, and service contracts. The growth was further supported by a higher number of connected products and a larger installed base.

The demand for equipment weakened, and the order intake decreased somewhat organically, primarily driven by lower order levels in Asia and Africa/Middle East, while the order intake increased in North and South America and Europe. Affected by global economic uncertainties, demand for industrial compressors decreased somewhat, particularly in the first half of the year, and the order intake declined for small- and medium-sized compressors as well as for larger industrial compressors. Demand for gas and process compressors remained robust in most regions, but due to weaker demand in Africa/Middle East, which was very strong last year, the overall order intake decreased.

Market presence and organizational development

The business area continued to invest in innovation and market presence. Several innovative products featuring the latest technology were introduced, aiming to support customers across various customer segments. The focus on gas and advanced applications for air compression was intensified with the new Air and Gas Application division, effective from January 1, 2025. More people were added to unlock the potential for a broader range of application segments, supporting future growth. The business area's digital presence was strengthened through various sales and marketing initiatives to improve lead generation and customer support.

The focus on connectivity and digitalization remained. To support the divisional strategies within the business area, numerous activities related to digitalization, connectivity, and AI were initiated. Among other things, AI was used more extensively than before in research and development, resulting in performance and process improvements. Connectivity algorithms were also focused on further improving the preventive service offer for customers.

In addition to developing and delivering new energy-efficient products, focused initiatives to help customers optimize the energy efficiency of their existing compressor rooms were successfully implemented.

The operational footprint strengthened in 2025 with the relocation of the existing production plant in Wuxi, China, to a new, larger plant combined with an R&D facility in the same city, as well as the construction of a new production facility for air- and gas-application compressors in Pune, India, to mention two examples. Major investments were made in a production facility for gas and process compressors in Albany, USA, an extension of a production site for expanders in Santa Maria, USA, and further investments in the production and R&D facility in Wuxi, China.

The business area closed in total 22 acquisitions in 2025:

- Trident Pneumatics Pvt. Ltd.
- V.O.L. Industries
- JetCan Engineering Sdn Bhd
- Medi-teknique Ltd.
- Dr. Weigel Anlagenbau GmbH
- Maquinarias y Tecnologías S.A.S
- IMOCOM S.A.
- Masterfilter NV
- MSS Nitrogen Ltd.
- Powered Compressors and Supplies
- The compressed air business of Air Mac Inc.
- Kyungwon Machinery Industry Co., Ltd.
- Arizaga Bastarrica y Compañia S.A.
- Talleres Haizea
- Itsab (jointly with Power Technique)
- Casa dei Compressori S.r.l.
- SUTO iTEC
- RM Boggs Inc.
- Northern Compressed Air Ltd.
- MKG Equipamentos Ltda.
- Engineering Automation Systems GmbH
- Anglian Compressors and Equipment Ltd.

For more information see page 113 or www.atlascopcogroup.com.

Revenues, profits and returns

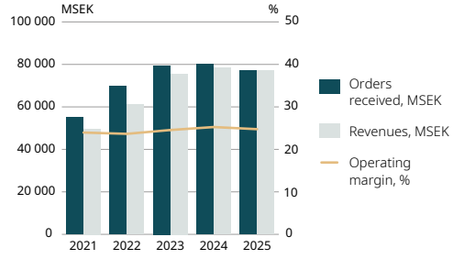
Revenues reached MSEK 77 140 (78 259), an organic increase of 4%. The operating profit decreased by 3% to MSEK 19 083 (19 716), corresponding to a margin of 24.7% (25.2). Currency had a small positive effect on the margin, while dilution from acquisitions, sales mix, and increased costs related to trade tariffs had a negative effect. Return on capital employed was 78% (85).

Revenues, MSEK 2024: 78 259	**77 140**
Operating profit margin 2024: 25.2%	**24.7%**
Return on capital employed 2024: 85%	**78%**

Sales bridge	Orders received	Revenues
2024, MSEK	**79 976**	**78 259**
Structural change, %	+2	+2
Currency, %	–6	–7
Organic*, %	0	+4
Total, %	**–4**	**–1**
2025, MSEK	**77 100**	**77 140**

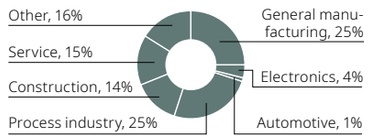
* Volume, price and mix

Orders received, revenues and operating margin

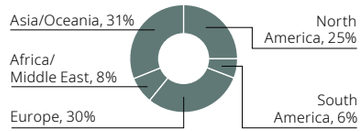


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Orders received by customer category



Revenues by region



Share of revenues



The market

The global market for equipment for the compression of air and gases, gas treatment equipment, and related services is characterized by a diversified customer base. Customers demand solutions that are reliable, productive, efficient, and tailored to specific applications. Customers are increasingly looking for partners that 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, such as in the food, pharmaceutical, electronics, and textile industries. Compressors are also 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 further used in oil and gas applications, gas fire plants, 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
- Increased investments in market segments contributing to a low-carbon society in some regions
- 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 and availability
- 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 grow 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
- Increased focus on developing product offer value proposition to support local markets
- 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
- 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, and Hitachi. 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 Everllence.

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.

INNOVATIONS DURING 2025

Several new products were introduced during the year, including:

A new oil-free rotary screw compressor, the **ZT200-355 VSD+,** designed for industries demanding high air quality and offers higher energy efficiency than comparable products.

A new membrane filter for chemical and food and beverage applications, the **SME+,** securing high-quality liquids through filtration and customer process quality control.

A new variable oil-injected screw compressor for the Chinese market, the **E Basic 7.5 kW,** offering a reduced footprint and reliable performance without compromising energy efficiency.

LCN2, a new nitrogen generator ensuring the right nitrogen purity, quality, flow, and pressure for various specific laser cutting applications.

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

Oil-injected screw compressor with variable speed



CO_2 piston compressor



Oil-free gas screw compressor



MANAGEMENT
Compressor Technique, January 1, 2026



Business Area President Philippe Ernens



Compressor Technique Service division, President Dirk Beyts



Industrial Air division, President Bert Derom



Oil-free Air division, President Leonardo Serrano



Air and Gas Applications division, President Joeri Ooms



Medical Gas Solutions division, President Melody Miller



Gas and Process division, President Robert Radimeczky



Airtec division, President Wouter Ceulemans

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Vacuum Technique

The overall demand for vacuum equipment and related services increased, driven by customers' increased need for service, while investment in equipment was mixed. The business area continued to focus on innovation and technology development, while several initiatives to adapt the organization to the current business climate were implemented.

Market development

The overall demand for vacuum equipment and related services increased, primarily driven by higher customer investments in industrial and scientific vacuum equipment and continued solid demand for vacuum service. Organically, the order intake increased by 4%.

Order volumes for the service business increased in all major regions and were supported by increased demand from the semiconductor industry as well as industrial and scientific vacuum customers.

The demand for vacuum equipment was mixed. Orders for equipment to the semiconductor and flat panel industry remained basically unchanged, with increased order intake in Asia, while the order intake in North America and Europe decreased. In contrast, the order intake from industrial and scientific vacuum customers increased, driven by solid growth in Asia, while the order intake in Europe and North America remained unchanged.

Market presence and organizational development

The business area maintained its focus on innovation to increase customer value and secure future growth. Several new products targeting the semiconductor industry and industrial and scientific vacuum customers were introduced during the year. One example and a milestone in 2025 was the delivery of a hydrogen recovery system for semiconductor production, supporting customers in their transition toward greater circularity.

To adjust and optimize the organization for the changing business climate, several organizational changes were implemented, including the merger of multiple local sales organizations for the industrial and scientific vacuum market in Europe, the merger of two sales organizations in North America, and a reduction in the number of warehouses. In 2025, the business area closed down a production unit for abatement systems in Hillsboro, USA, and relocated production to an established facility in New York. At the same time, the market presence was strengthened in Asia through a local brand organization and acquisitions. Several digital initiatives were also launched to strengthen the business area's digital presence, aiming to support customer interaction, as well as AI-related initiatives to improve the service offer and accelerate research and development.

The business area made major investments in a production facility for dry vacuum pumps in Genesee (NY), USA, new machinery for a production facility for high vacuum pumps in Bangalore, India, and a production facility for turbo pumps in Ina, Japan.

The business area closed in total two acquisitions in 2025:

- New Star Technology, a Chinese producer of abatement equipment and replacement absorber material.
- Shareway Environmental Technology, an abatement equipment company based in China.

For more information see page 113 or at www.atlascopcogroup.com.

Revenues, profits and returns

Revenues decreased 9% to MSEK 36 727 (40 441), corresponding to a 5% organic decline. The operating profit decreased 21% to MSEK 6 765 (8 541) and includes items affecting comparability of MSEK –384, related to restructuring costs in the first and third quarters.

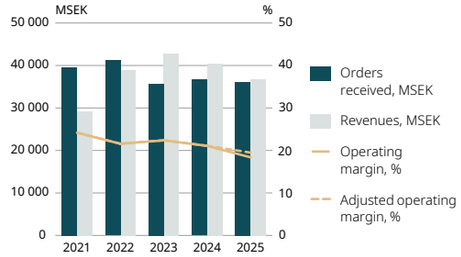
The adjusted operating profit reached MSEK 7 149 (8 545). The previous year included items affecting comparability of MSEK –4 in total. The adjusted operating margin was 19.5% (21.1), primarily negatively affected by currency effects and lower revenue volumes, although dilution from acquisitions and increased costs related to trade tariffs also affected the margin negatively. Return on capital employed was 17% (20).

Revenues, MSEK 2024: 40 441	**36 727**
Operating profit margin 2024: 21.1%	**18.4%**
Return on capital employed 2024: 20%	**17%**

Sales bridge	Orders received	Revenues
2024, MSEK	**36 629**	**40 441**
Structural change, %	+1	+2
Currency, %	–6	–6
Organic*, %	+4	–5
Total, %	**–1**	**–9**
2025, MSEK	**36 156**	**36 727**

* Volume, price and mix

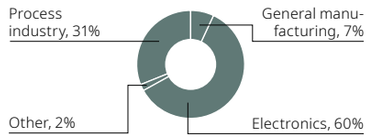
Orders received, revenues and operating margin



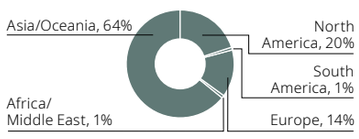
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Revenues by region



Share of revenues



The market

Vacuum, cryogenics, instrumentation, abatement solutions and systems 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 contains 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 the manufacturing of semiconductors, research and development equipment, lithium-ion batteries, flat panel displays 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 market leadership will be ensured by an organization focused on global presence with infrastructure as well as leadership, 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
- 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
- Increase organizational agility and operational efficiency
- Invest in people and competence development
- Grow through strategically attractive acquisitions

Competition

Vacuum Technique's principal competitors are:

Semiconductor market:
Ebara, Kashiyama, Busch Group and Shimadzu Corporation.

Industrial and scientific market:
Ingersoll Rand and Busch Group.

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 2025

Several new products were introduced during the year, including:

A new plasma-wet abatement system, the **Protron FPD,** an all-electric abatement platform with high performance targeting the flat panel industry.

A new oil-sealed screw vacuum pump for industrial applications, the **GHS 2700-3400 VSD+,** offering high efficiency, low noise levels, and intelligent connectivity and control.

A new integrated abatement system for the semiconductor industry, the **Axentis Compact,** provides 35% reduced footprint compared to alternative products and offers high flexibility.

Vertical Mechanical Booster, a new compact product for semiconductor production processes requiring an extra high vacuum, offering high performance in the vacuum chamber.

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



Vacuum system for industrial applications

Turbomolecular pump for the semiconductor and flat panel industry



Dry vacuum pump for the semiconductor industry



MANAGEMENT
Vacuum Technique, January 1, 2026


Business Area President
Koen Lauwers


Vacuum Technique Service division, President Eckart Roettger


Semiconductor Service division, President Paul Neller


Semiconductor division, President Martin Tollner


Semiconductor Chamber Solutions division, President Tim Heger


Scientific Vacuum division, President Michael Eichhorn


Industrial Vacuum division, President Andries Desiron

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Industrial Technique



The overall market for equipment weakened, driven by lower demand from the automotive industry, while the service business grew. To adapt to weaker demand, some restructuring measures were implemented during the year. Despite the more challenging business climate, the business area maintained a strong focus on R&D to support customers and drive future growth.

Market development

The overall demand for the business area's equipment and services weakened somewhat, primarily due to lower investment activity in the automotive industry, and the order intake decreased by 3% organically.

Order intake for service increased, with growth in all major regions, supported by increased demand for data-driven service.

The overall demand for industrial assembly and vision solutions to the automotive industry decreased, primarily due to lower investment activity by customers in Asia and Europe. While the overall business climate weakened, demand for the business area's integrated product offering and solutions that support customers' production with automation and greater flexibility, remained solid.

Orders for industrial power tools, assembly, and vision solutions for the general industry increased. The higher order intake was supported by increased demand from the electronics and aerospace industries, while the demand from other customer segments was mixed.

In total, orders for equipment increased in North and South America but decreased in Europe and Asia.

Market presence and organizational development

The business area maintained its technology focus, and continued to innovate to support customers' operations despite the weaker business climate. The product offering was further strengthened, particularly to support customers' growing need for automation, flexibility, and quality control, with the introduction of several new products.

The online market presence was strengthened through continued development of digital solutions to enhance customer interaction and lead generation. Other digital initiatives during the year included AI agents to further improve the efficiency of the business area's software development and the use of AI to provide technical support for customers within the service division.

To adapt to the somewhat challenging business climate, particularly in the automotive industry, the business area implemented reorganizations, primarily within its European operations. The sales organization was also adjusted following the merger of two customer centers in South America and two in Europe.

Major investments were made in new machinery for a production facility for industrial tools in Tierp, Sweden, and in automation of rivet production in a facility in New Hudson, USA.

In total, the business area closed one acquisition in 2025:

- Neadvance Machine Vision, S.A., a Portuguese software company for automation solutions with 41 employees and revenues of MSEK 29 in 2023.

For more information see page 113 or at www.atlascopcogroup.com.

Revenues, profits and returns

Revenues decreased 11% to MSEK 26 384 (29 522), corresponding to a 6% organic decrease. The operating profit decreased 23% to MSEK 4 692 (6 066) and includes items affecting comparability of MSEK –314, related to restructuring costs in the third and fourth quarters.

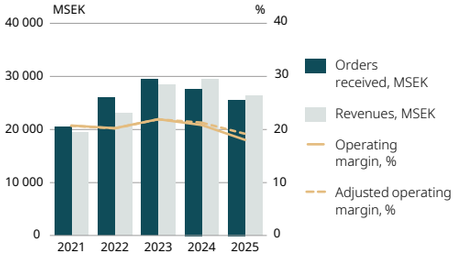
The adjusted operating profit reached MSEK 5 006 (6 240). The previous year included items affecting comparability of MSEK –174 in total. The adjusted operating margin was 19.0% (21.1), primarily affected by lower revenue volumes and negative currency effects, although dilution from acquisitions and increased costs related to trade tariffs also affected the margin negatively. Return on capital employed was 17% (21).

Revenues, MSEK 2024: 29 522	**26 384**
Operating profit margin 2024: 20.5%	**17.8%**
Return on capital employed 2024: 21%	**17%**

Sales bridge	Orders received	Revenues
2024, MSEK	**27 656**	**29 522**
Structural change, %	+2	+1
Currency, %	–6	–6
Organic*, %	–3	–6
Total, %	**–7**	**–11**
2025, MSEK	**25 587**	**26 384**

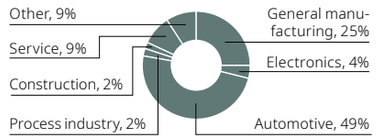
* Volume, price and mix

Orders received, revenues and operating margin

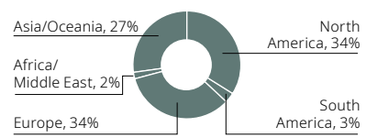


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Revenues by region



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 vehicle producers, 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 minimize errors and interruptions in production.

With an increasing demand for electric vehicles, battery production, and a growing use of lighter materials, the automotive industry turns 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 is becoming 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, artificial intelligence, and demand for connectivity in production
- Increased customer focus on reducing CO_2 emissions
- Customers' electrification of their end products
- Higher requirements for productivity, flexibility and ergonomics, and increased demand for in-line quality control
- Increased need for electricity in production
- 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

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 customer segments and 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
- Increase customer share by offering a broader assembly solution offering and inline quality solutions
- Develop new innovative connected products and solutions, offering increased quality and productivity, and improved ergonomics
- Transform the industry by offering more advanced, integrated, and automated workstations
- Increase the share of proactive and data-driven 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. Adhesives are also used in the electronics industry. 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 metrology and quality control, and 3D robot guidance. The combination of high-performance cameras, illumination, vision and analytics software, and AI, allows customers in a broad range of industries to improve quality and automate production.

INNOVATIONS DURING 2025

Several new products were introduced during the year, including:

The **MicroTorque Offset Gear** is a new assembly solution for tightening low-torque applications in the electronic industry, offering high accuracy and cycle rates.

A new manual torque wrench, the **MTRwrench,** that offers a robust design and traceability with fast data transfer and accurate torque control. Red Dot Award winner 2025.

A new high-speed dispensing solution, combining the **Scheugenflug PM8000 and the DP8000,** offers approximately 50% reduced cycle time and a 70% reduction in material compared to alternative systems.

A new robot guidance solution, the **Desoutter ARG,** offering improved repeatability and increased flexibility for tightening and drilling automation in customers' production.

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



Battery tool for tightening



Self-pierce riveting system



Adhesive dispensing unit with integrated vision

MANAGEMENT

Industrial Technique, January 1, 2026



Business Area President Henrik Elmin



Industrial Technique Service division, President Oskar Sörensson



Motor Vehicle Industry Tools and Assembly Systems division, President Lars Eklöf



General Industry Tools and Assembly Systems division, President Håkan Andersson



Chicago Pneumatic Tools division, President Ivo Maltir



Industrial Assembly Solutions division, President Olaf Leonhardt



Machine Vision Solutions division, President Berthold Peters

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Power Technique

The overall underlying demand for equipment, service, and specialty rental solutions remained essentially unchanged, as demand for specialty rental and service increased, while demand for equipment was mixed. The business area maintained its focus on innovation, strengthened its market presence both online and offline, and closed several acquisitions during the year.

Market development

The overall underlying demand for equipment, service and specialty rental solutions remained essentially unchanged; however, thanks to contributions from acquisitions, the currency-adjusted order intake increased. The organic order growth was 1%.

Although demand for specialty rental solutions increased only slightly, solid order growth was achieved thanks to acquisitions, with orders increasing in all regions except Asia, where they decreased. The demand for service remained relatively good with increased order intake in most regions.

The demand for equipment was mixed, with lower order volumes for portable compressors, particularly in North America and Europe. In contrast, orders for portable power and flow equipment, such as generators and portable pumps, grew notably, supported by solid demand in most regions. Demand for industrial pumps remained largely stable, but order intake was supported by contributions from acquisitions, resulting in an overall increase. In total, equipment orders increased in Asia, Europe, and South America, but decreased in North America and Africa/Middle East.

Market presence and organizational development

The business area continued to invest in innovation and new technologies, leading to the introduction of several new products across its divisions. R&D capabilities were also strengthened locally in different regions through new teams focused on addressing local customer needs.

In addition to the two new divisions, Portable Power and Flow, and Industrial Flow, which have been operational since January 1, 2025, several initiatives were launched to further strengthen focus on selected markets and applications. Some examples are additional salespeople in the Portable Power and Flow division, intensified digital presence for several products, and a new uptime center for the specialty rental business.

The business area continued to develop its offering to support customers in reducing their environmental impact, for example by launching new products with significantly lower fuel consumption than previous models, and by increasing focus on electrification and the use of biofuels.

During the year, the business area invested in a production facility for portable compressors in Wuxi, China, a new production hall for electric portable compressors in Antwerp, Belgium, an extension of a production facility for portable compressors in Pune, India, and two new factories for industrial pumps, one in Pune, India, and one in Dalian, China.

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

In total, the business area closed five acquisitions in 2025:

- Heide Pumpen GmbH, a German distributor and service provider of portable pumps. The company has 42 employees.
- Clearpro Construction Water Solutions Pty Ltd., an Australian specialty water treatment rental company. The company has 12 employees and revenues of approximately MSEK 42 in 2024.
- Itsab, a compressor and power equipment distributor based in Sweden with 21 employees (jointly with Compressor Technique).
- CRI-MAN S.p.A., an Italian industrial pump manufacturer with 85 employees and revenues of approximately MSEK 342 in 2024.
- National Tank & Equipment, LLC, an American specialty rental company with 349 employees and revenues of approximately BSEK 2.1 in 2024.

For more information see page 113 or www.atlascopcogroup.com.

Revenues, profits and returns

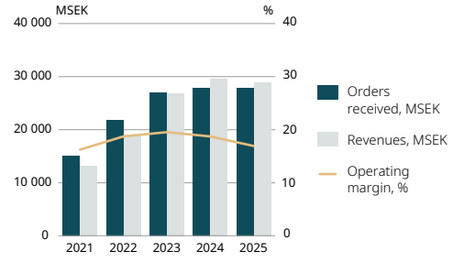
Revenues decreased 2% to MSEK 28 972 (29 622), corresponding to an organic decline of 1%. The operating profit decreased 12% to MSEK 4 842 (5 488), corresponding to a margin of 16.7% (18.5). The lower margin was mainly driven by lower volumes, a negative currency effect, higher functional costs in relation to sales, and lower utilization of the rental fleet. Acquisitions had only a marginal dilutive effect on the margin. Return on capital employed reached 14% (18).

Revenues, MSEK 2024: 29 622	**28 972**
Operating profit margin 2024: 18.5%	**16.7%**
Return on capital employed 2024: 18%	**14%**

Sales bridge	Orders received	Revenues
2024, MSEK	**27 866**	**29 622**
Structural change, %	+6	+5
Currency, %	–7	–6
Organic*, %	+1	–1
Total, %	**0**	**–2**
2025, MSEK	**27 846**	**28 972**

* Volume, price and mix

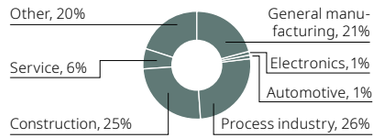
Orders received, revenues and operating margin



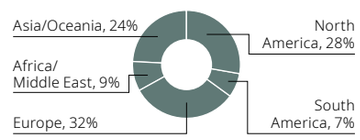
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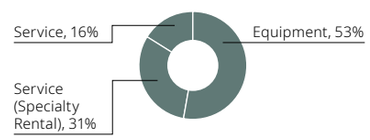
Orders received by customer category



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, while 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 the service business; aiming to increase revenues by offering more services to more customers. Growth should be achieved in a manner 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
- Increase local production and R&D for local markets
- 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.

INNOVATIONS DURING 2025

Several new products were introduced during the year, including:

A new mobile fast charger, the **FCP 240,** supports the establishment of microgrids at construction sites and enables customers to charge electric industrial vehicles.

A new line of portable dryers for remote applications and demanding industrial environments, the **CDR and CDR+,** offering efficient removal of excess moisture from compressed air systems.

The **Wangen Twin 180,** a new twin screw pump for applications pumping highly viscous media which require high flow rates in hygienic product processes.

A new range of portable chopper pumps, the **PAX F44 & PAX F66,** that withstand demanding applications and deliver high pumping efficiency.

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

Portable pump



Diaphragm process pump for industrial use



Portable compressor



MANAGEMENT
Power Technique, January 1, 2026



Business Area President Andrew Walker



Power Technique Service division, President Stefaan Vertriest



Specialty Rental division, President Tim Last



Portable Air division, President Hendrik Timmermans



Portable Power and Flow division, President Marco Gravina



Industrial Flow division, President Mikael Andersson

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Our approach to creating lasting value

Sustainability is at the core of Atlas Copco Group's mission and strategy. Our technologies enable a low-carbon society and contribute to transforming the future.

By managing our environmental and social impacts and acting with integrity in all our business relationships, we aim to create value for our stakeholders and society at large.

We concentrate our efforts on the areas where we have identified our largest actual and potential impact, and where we see significant risks or opportunities. By allocating resources and working systematically in these areas, we support our mission of achieving sustainable, profitable growth.

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STRATEGY, BUSINESS MODEL AND VALUE CHAIN

SBM-1 Sustainable, profitable growth

Atlas Copco Group aims to continuously deliver profitable growth with an increased positive impact on society, while contributing to a reduction in environmental impact throughout our value chain. We provide everyone within our organization with the support and inspiration to learn and grow. In our value creation, we also take into account the perspectives of our various stakeholders. Our purpose is to develop ideas and technologies that enable our customers to grow and to drive society forward.

The Group's four 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 18–30.

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 transition to a low-carbon society.

Our strategy is to offer the most energy-efficient products and technology for each application. We strive to meet our customers' requirements and support their ambitions to reduce environmental impact and total cost of ownership. This is reflected through our group target, which states that all projects for new and redesigned products should have targets for reduced carbon impact. In 2027, all such projects should also apply circularity principles according to our internal guidelines.

We have also identified significant business opportunities in new segments linked to society's need for new energy sources, new modes of transportation, and automation. By partnering with our customers, we contribute to 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. At the same time, we remain committed to reducing the climate impact of our own operations and products.

Business model

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.

To uphold and strengthen our innovation capabilities, the competence of our people is critical. We therefore focus on attracting talented people with a growth mindset and fostering a strong learning culture that offers opportunities for continuous training and development. We also continuously gather inputs through close collaboration with business partners and customers. This ensures that our product development is guided by both technological advances and customer needs, while maintaining a high level of technical expertise within the Group.

Outsourced production and operational excellence

The manufacturing of components that are critical to the performance of the equipment is typically carried out in the Group's own facilities, while other components are produced with the support of our business partners. Purchased components account for a majority of the product cost and these inputs are sourced through long-term relationships with qualified suppliers who meet our technical, quality, and sustainability standards. We place strong emphasis on responsible business conduct and expect our partners to uphold our Code of Conduct, ensuring fair working conditions, respect for human rights, and high ethical standards throughout the supply chain.

We continuously strive for improved operational efficiency. To optimize production flows, the assembly is typically lean, and the final product is generally shipped directly to the end user. Through the responsible use of human capital, natural resources, and financial capital, we create value for our customers, employees, business partners, shareholders, and society at large.



Sales and service

Equipment sales generate about 62% 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 38% 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 our products and solutions.

For more information on how we do business and create value for different stakeholders, see pages 5–10.

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Our value chain

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 the 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 social and environmental impact.

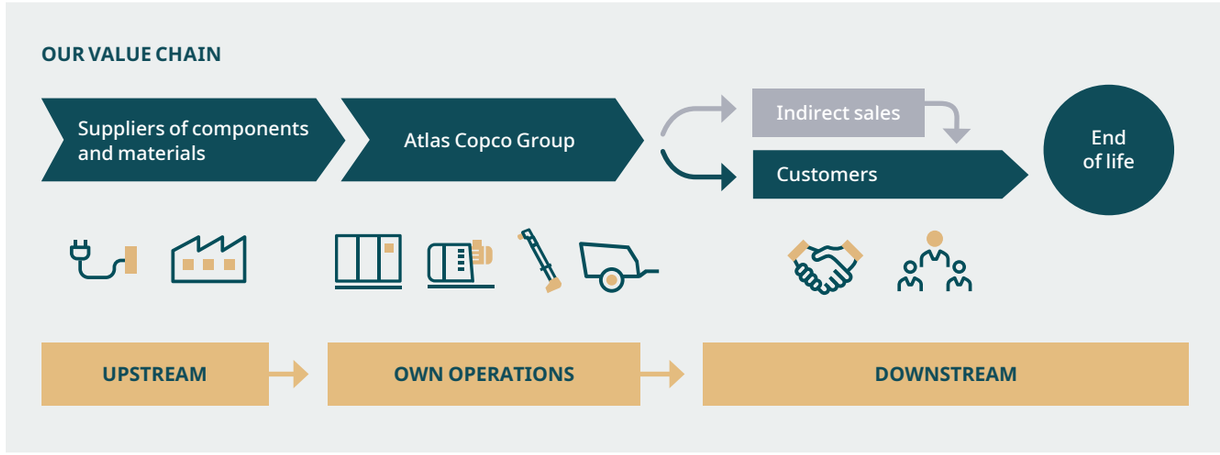
Our suppliers are globally distributed, with the largest shares located in Asia and Europe, followed by North America. The risks in these geographic markets vary greatly, in terms of human rights, including working conditions and freedom of association, as well as environmental protection. Through responsible purchasing processes and collaboration with suppliers, we strive to have a positive impact on workers in the value chain and to promote higher standards in society. Climate change can pose risks for suppliers in some regions and cause supply chain disruptions. Read more in the topical sections *Climate change* on page 44, *Workers in the value chain* on page 71, and *Relationships with suppliers* on page 76.

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 is relatively low compared to those that take place downstream and upstream in the value chain.

In 2025, we had more than 56 000* 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 61–70.



Downstream value chain

Atlas Copco Group has a global reach with sales in 180 countries and a highly diverse customer base. Sales and service are primarily conducted directly, but also indirectly through distributors. More than 95% of the greenhouse gas emissions across our value chain occur during customers' use of our products. This highlights the significant opportunity to reduce emissions through the continuous development of more energy-efficient products, as well as through the electrification of certain products. To further reduce the environmental impact and increase circularity, our products are designed with a life-cycle perspective, including end of life. Through our service offering, we also support product repair, maintenance, and reuse, extending their useful lifetimes and minimizing waste.



* Measured in FTE (full-time equivalents). For number of employees per geographic area, see page 69.

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SUSTAINABILITY TARGETS FROM 2025

We regularly review the Group's sustainability targets to ensure that our priorities remain aligned with our key material sustainability matters and with 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 insights from the double materiality assessment in 2023. As a result, some of our targets were reformulated or discontinued.

Inclusive target-setting process

Understanding our stakeholders' expectations regarding how the Group should manage impacts, risks, and opportunities linked to our material sustainability matters was the starting point for the sustainability target review.

Internally, we conducted a survey with subject matter experts and representatives from relevant functions, and gathered employee perspectives through interviews conducted during the DMA.

The perspectives of external stakeholders, such as suppliers, customers, and distributors, were collected through internal workshops with functional representatives, councils, and boards, such as the purchasing council and market councils. The Investor Relations department also provided important input.

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 subsequently approved by the business area management teams, Group Management, and finally the Board of Directors.

Circularity principles in product development

Our target to develop a Group-wide methodology for assessing circularity by 2024 has been achieved and replaced with a new commitment: systematically applying circularity principles in all new and redesigned products by 2027.

Climate targets beyond 2030

Since 2021, we have had science-based targets, and supporting plans, to reduce greenhouse gas emissions across 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 targets beyond 2030 for scope 1, 2 and 3 emissions.



[1] As of 2025, the US is excluded from the target.

[2] Strategic significant supplier: all external significant direct material suppliers to production and distribution units with a purchasing value above a set threshold (higher than for significant suppliers) 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 20% of set value).

Women in leadership positions

Atlas Copco Group is committed to diversity and inclusion, with gender balance as a key aspect. We have therefore added a target of 25% women in leadership positions by 2030, complementing our existing target of 30% female employees the same year.[1]

Supplier engagement in ESG assessment

Since 2024, we have strengthened our due diligence by implementing a new Group-wide third-party tool to assess suppliers. During 2025, we aligned our approach to measuring and reporting the share of strategic significant suppliers[2] engaged in environmental, social, and governance (ESG) assessments.

Trade compliance and fair competition training

Atlas Copco Group supports fair competition to ensure equal conditions for business. Awareness of trade compliance rules and regulations is key to navigating a constantly changing geopolitical landscape. Accordingly, we have adopted a target for employees in selected target groups to complete training on trade compliance and fair competition.

For a complete overview of the Group's sustainability targets, see page 6. For more details, see Targets and metrics in the respective topical chapter.

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SBM-2 Interests and views of stakeholders

Atlas Copco Group conducts systematic and regular engagement with key stakeholders to identify and manage sustainability-related impacts, risks, and opportunities associated with our organization and our business relationships along the value chain. Our key stakeholders include those who are either impacted by our operations or those who influence our strategy and the achievement of our goals. This ongoing engagement is essential for building trust and enables us to proactively identify and address our stakeholders' perspectives, concerns, and expectations.

The outcomes of the stakeholder engagement inform our decision-making processes, support strategy development, and improve our response. For example, insights from the engagement process form the basis of our double materiality assessment, see pages 36–37, which served as an important starting point for developing the Group's updated sustainability targets for 2025–2027, see page 34. These targets reflect, among other things, stakeholder expectations in areas such as circularity, diversity, compliance, and responsible business practices throughout the value chain, all of which are aligned with our strategy and business model. Stakeholder input may also inform updates to the Group's policies and guidelines, new employee trainings, product development, and risk mitigation measures, such as due diligence, thereby supporting long-term business resilience.

Atlas Copco Group engages regularly with stakeholders through the methods outlined in the table. This typically involves Group functions such as Sustainability, Investor Relations, and Media Relations, as well as representatives from business areas and divisions. Stakeholder engagement at the local and regional level, carried out through our operating units and holding companies, is also a central component. Additional insights are gained through our grievance mechanisms and our whistleblowing function, SpeakUp.



The Group Management team and the Board of Directors receive annual updates on the DMA, which reflects stakeholder perspectives and expectations on sustainability matters. Group Management also receives a presentation of the results of the Group's employee survey, Insight.

For further details on stakeholder engagement, see sections *Own workforce, Workers in the value chain* and *Consumers and end-users*.

Stakeholder group	How engagement is organized
Customers	– Customer visits – Customer events – Customer satisfaction surveys and interviews
Employees	– Yearly performance and development dialogues – Regular training and coaching – Employee surveys – Work councils – Employee representation on the Board
Shareholders and financial market participants	– Capital market days – Roadshows, conferences, meetings, and calls – Annual general meeting
Society *Governments, affected communities, non-governmental organizations, industry partners, and academia*	– Participation in international collaborations and industry initiatives – Local engagement through companies and regional Holding companies – Career fairs and events for students – Interviews, meetings, and calls with media
Business partners *Suppliers and indirect sales channels*	– Strategic collaborations – Regular on-site meetings – On-site evaluations and supplier audits – Surveys and interviews

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IRO-1 IMPACTS, RISKS, AND OPPORTUNITIES

About the double materiality assessment

In 2023, Atlas Copco Group initiated a double materiality assessment (DMA) to identify the Group's material impacts, risks, and opportunities in relation to sustainability matters. The initial assessment was conducted with the support of an independent consultancy and in accordance with ESRS requirements. The work continued through 2024 and 2025, including reviews of the results and further calibration and validation with internal stakeholders.

Double materiality approach

The initial assessment followed the ESRS principles of double materiality, under which a sustainability matter is considered material from 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 initial DMA was conducted in six steps:

1. Identification of a 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, not covered by the ESRS but potentially material for the Group, were also addressed.

2. Stakeholder dialogues and review of processes

To ensure alignment with existing processes and stakeholder dialogues, relevant documentation was reviewed and interviews conducted with a broad range 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 gathered through employee representatives, the HR function, and the Group's employee survey, Insight. Customer perspectives and market insights were provided by the business areas.

Environmental impacts, risks and opportunities – Environmental impacts, including climate-related risks such as GHG emissions, pollution, and water, were mapped using business area documentation and insights, ongoing climate work, and stakeholder dialogue through established channels. Other environmental impacts were mapped using the same processes and methodologies, supplemented by an initial internal biodiversity impact assessment. Impacts from resource use and circular economy were mapped through the environmental management system for the Group's business activities, and existing circularity initiatives, including internal interviews.

Climate-related physical and transition risks and opportunities were mapped through the ERM and a global warming scenario analysis, following the TCFD recommendations. Other environmental risks and opportunities, such as those related to pollution, resource use, and circular economy, were mapped using the ERM process, business area insights and documentation, ongoing stakeholder dialogues through established channels, and existing circularity initiatives.

The identified impacts, risks and opportunities were then mapped against the correlating sustainability topics in the ESRS list of topics and sub-topics.

The existing assessment methods were integrated with the methods outlined in the adopted ESRS and applied in the impact and financial materiality assessments. The mapped impacts, risks and opportunities were assessed over short-, medium- and long-term time horizons in line with ESRS, in relation to where they are concentrated in the value chain and the stakeholders affected.

Social impacts, risks and opportunities related to human rights or other social aspects affecting our own workforce, workers in the value chain, or end users at our customers were mapped through the enterprise risk management (ERM) process, subject matter expert discussions, internal documentation and processes, as well as ongoing stakeholder dialogues through established channels.

Business conduct-related impacts, risks and opportunities were mapped based on conclusions from the Group's stakeholder dialogues, internal documentation, and desktop reviews. The process also included a mapping of geographic areas with elevated potential impacts or risks related to corruption and bribery.

3. Impact materiality assessment

After mapping the Group's positive and negative, actual and potential impacts on people and the environment, 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 human rights impacts. Positive impacts were scored based on scale, scope, and likelihood.

Thresholds were set based on the quantitative assessment and existing processes. We applied the same categorization and grading as in the ERM process (low, medium, high, and extreme) and deemed impacts rated high or extreme as material.

DOUBLE MATERIALITY ASSESSMENT PROCESS

1. Identification of gross list of ESG topics
2. Stakeholder dialogues and review of processes
3. Impact materiality assessment
4. Financial materiality assessment
5. Review and preliminary approval
6. Validation and final approval

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4. Financial materiality assessment
After mapping sustainability risks and opportunities, their potential financial effects were assessed based on size and likelihood. Scoring was aligned with the existing ERM process (low, medium, high and extreme). Appropriate thresholds were set based on the quantitative assessment and existing processes. Risks and opportunities rated high or extreme were deemed material.

5. Review and preliminary approval
The preliminary DMA results were reviewed and validated by representatives from the Group's SHEQ council (safety, health, environment and quality) and the DMA project Steering committee. They were also approved by the business area management teams and Group Management.

6. Validation and final approval
A comprehensive understanding of Atlas Copco Group's impacts, risks, and opportunities related to sustainability topics is a complex process. Therefore, in 2025, we continued the work initiated in 2023 and reviewed the results of the 2024 assessment. Dedicated workstreams calibrated and validated the IROs based on input from internal subject-matter experts and stakeholders, as well as relevant sources, such as the 2024 ERM outcome, the 2024 Biodiversity Impact Assessment, and the 2025 employer engagement survey Insight. Peer benchmarks also provided valuable input. The workstream leads presented and discussed their findings in an internal workshop together with Group Sustainability.

In 2025, we maintained the same cautious approach as in the previous year to ensure that measures to mitigate negative impacts are not categorized as positive impacts. We remain cautious about disclosing the financial effects of opportunities, which are primarily identified at the divisional level as part of strategy development. Opportunities are difficult to quantify accurately, and such information is often business sensitive.

The materiality assessment process and the results are presented to, and approved annually by, the Board.

We will continue to gather information and monitor topics near the materiality threshold. The DMA will be reviewed annually and updated as needed.

Outcome of the double materiality assessment

The outcome of the DMA review in 2025 reconfirmed the material topics identified in 2024, presented in the table on page 38. Therefore, no changes in terms of materiality have been made.

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.

The identified IROs are handled within dedicated workstreams, and the Sustainability Reporting and Disclosure Steering Committee determines which topics and information to disclose in the report, before review and approval by Group Management.

In line with ESRS 1 principles on Material matters and materiality, information is selected based on the significance of actual or potential impacts, the scale and likelihood of financial effects, and stakeholder concerns. This ensures that disclosures focus on the most relevant and decision-useful information for report users.

SBM-3 Interaction with strategy and business model

To assess the Group's resilience, sustainability aspects are integrated into ongoing business planning, business reviews and risk management at the divisional level (the highest operational level). Sustainability is also embedded in relevant functional strategies. Group Management and the Board of Directors discuss strategic risks and opportunities, including sustainability, to ensure that we continue to meet the needs of customers and society. These discussions draw on input from across the organization and focus on issues most likely to affect our strategy in the short, medium or long term, and may result in strategic adjustments when needed.

The results of the DMA align with Atlas Copco Group's strategy and business model. No changes have been made to the business model in response to the material IROs identified through the process, but the DMA outcome has provided an important basis for our updated sustainability targets, effective from 2025, see page 34.



To our current knowledge, the risks related to the material topics are not expected to have a significant financial impact, nor to require substantial adjustments in the foreseeable future. Actions to address material IROs are embedded in divisional strategies, which means that the related costs cannot always be separately identified. More information on how IROs interact with the strategy and business model, as well as topic-specific resilience analyses, is provided in our topical sections.

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Our material topics

The table provides an overview of our material topics from a value chain perspective. Materiality is determined based on multiple actual and/or potential impacts, as well as financial risks and/or opportunities (IROs). The table summarizes the main aspects. For further details on each IRO and how these are addressed, please refer to the respective topical chapter.

Environment	Sub-topic	Summary of main aspects	Materiality	Upstream	Own operations	Downstream
Climate change	Climate change mitigation	GHG emissions are generated across the value chain, with the vast majority occurring in scope 3 downstream. Through energy efficiency improvements and low-carbon technologies, we help our customers to reduce emissions.	Impact and financial	●	●	●
	Energy	A majority of our products consume significant amounts of energy during use. Through energy efficiency, we support our customers in optimizing their energy consumption.	Impact and financial			●
Resource use and circular economy	Resource inflows, including resource use	We source and use materials, such as metals, that have significant environmental impacts.	Impact	●		
	Resource outflows related to products and services	We aim to develop technologies based on circular design principles to meet stakeholder expectations.	Financial			●
	Waste	Our operations generate waste throughout the value chain.	Impact	●	●	●
Social	**Sub-topic**	**Summary of main aspects**	**Materiality**	**Upstream**	**Own operations**	**Downstream**
Own workforce	Working conditions	We provide good working conditions and employment opportunities. Poor health and safety performance could harm people and negatively affect our reputation.	Impact and financial		●	
	Equal treatment and opportunities for all	We provide learning and development opportunities for employees and promote equality and inclusion. Failure to do so could result in discrimination and gender gaps.	Impact		●	
Workers in the value chain	Working conditions	Poor working conditions at business partners may pose social and labor risks, including health and safety issues.	Impact	●		●
	Equal treatment and opportunities for all	Discrimination remains a widespread global issue and represents a potential risk within our value chain.	Impact	●		●
	Other work-related rights	The non-responsible sourcing of minerals may give rise to human rights violations.	Impact	●		
Consumers and end-users	Personal safety of consumers and/or end-users	Customers rely on us to provide solutions that are safe and ergonomically designed. Product malfunctions could harm users and negatively affect our reputation.	Impact and financial			●
Governance	**Sub-topic**	**Summary of main aspects**	**Materiality**	**Upstream**	**Own operations**	**Downstream**
Business conduct	Corporate culture	We uphold an ethical corporate culture guided by our Code of Conduct.	Impact and financial		●	
	Management of relationships with suppliers	Non-responsible supplier management may increase negative environmental, social, and governance impacts.	Impact	●		
	Corruption and bribery	As a global company, we and our business partners are present on markets where corruption is prominent.	Impact	●	●	●

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SUSTAINABILITY GOVERNANCE

Sustainability governance structure and responsibilities

GOV-1 GOV-2 *The Board of Directors*

The Board of Directors has the overarching responsibility for overseeing Atlas Copco Group's strategy, 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 impacts, risks, and opportunities in these processes. The Board of Directors is responsible for approving and overseeing the Code of Conduct, which is the foundation of the Group's culture and the governing document for how all employees, including the Board itself, should act in relation to all stakeholders.

The Board of Directors is regularly informed of and addresses sustainability matters that are material to the Group. Progress in relation to selected targets, such as diversity and science-based climate targets, is reported to the Board on a quarterly basis. The SVP Chief Legal Officer informs the Board about critical compliance-related concerns and annually about trends and statistics related to the Group's whistleblowing function, SpeakUp. Additional relevant topics are scheduled as needed on request by the Board or the company.

Target-setting related to the Group's material impacts, risks and opportunities is coordinated by the Group Sustainability team. Following stakeholder input and internal assessment of identified IROs with relevant internal stakeholders, the team develops recommendations, which are reviewed and approved by Group Management and the Board. The Board is also, together with Group Management, responsible for the preparation, review and approval of the Group's annual sustainability statement, which covers material impacts, risks, and opportunities, related actions and resources, and performance. The outcome of the annual double materiality assessment is also presented annually and approved by the Board.

The Nomination Committee aims to propose a Board with members representing broad and complementary experience, from a number of industries and geographical markets relevant to Atlas Copco Group. Experience from the manufacturing industry with international coverage is viewed as especially valuable.

- The Board of Directors comprises nine members, including eight non-executive members and one executive member – the Group's President and CEO.
- The Board has two employee representatives, each with one personal deputy.
- Of the nine Board members four are women and five are men.
- Eight out of nine Board members (88 percent) are considered independent in relation to the Group and its management.

The mandates outlined are addressed in the relevant governance documents for each of the governance bodies. For further details about the Board of Directors, its committees and responsibilities, composition, and Board members' experience, see the Corporate governance report on pages 93–98.

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 sustainability targets is part of the variable compensation for members of Group Management, as well as other employees, see page 40. The Group Sustainability team, headed by the Vice President Sustainability, is responsible for coordinating the Group's sustainability work. The Vice President Sustainability reports to the SVP Chief Communications Officer, who is a member of Group Management. The Management team reviews performance against relevant Group sustainability targets on a quarterly basis. The result of the annual DMA review is presented at least annually to the Group Management, ahead of presentation to the Board. Additional topics are scheduled as relevant during the year.

Group functions, councils and boards

At Group level, a sustainability team provides strategic direction, coordination and alignment across the entire organization, in close collaboration with other Group functions and sustainability representatives from our four business areas. To coordinate and align



efforts and activities across our decentralized organization, the Group has established several councils and boards with members from Group functions and business area representatives. They come together frequently to discuss policies, guidelines, and actions to support the organization in reaching established ambitions. The councils are supported by reference groups that build competence and provide guidance in specific areas such as circularity, climate and biodiversity.

The *Sustainability council* is chaired by a division president and consists of the Group Vice President Sustainability, the business area VP Sustainability/Sustainability managers, and representatives for HR, Holding and Controlling.

The *Human Resources board* consists of the Group HR team and the VP Human Resources from the Group's four business areas.

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The *SHEQ council* consists of SHEQ managers and representatives from HR and controlling.

The *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 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.

The *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.

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, divisions, and entities set quantified targets for delivering on the Group targets. The divisional presidents and general managers are responsible for ensuring that targets are set as part of the three-year planning process, 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 skills and expertise

To ensure access to relevant sustainability-related expertise and stay informed about developments affecting both the company and the wider industry, the Board and Group Management regularly engage with external specialists. Internal subject matter experts also play a key role by providing regular updates on key sustainability matters related to the Group's material impacts, risks and opportunities, including climate change and resource efficiency, workforce-related matters, and responsible business conduct. This ensures that sustainability considerations are effectively integrated into strategic decision-making.

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 at divisional level. The results are aggregated at 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 sustainability-related risks, is described in the section Risks, risk management and opportunities on pages 85–90.

GOV-3 Sustainability-related performance in incentive schemes

Reward structures at Atlas Copco Group are designed to support our strategy and motivate our leaders to deliver sustainable, profitable growth.

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. Non-financial criteria are part of the variable compensation for all members of Group Management. For 2025, the criteria has been to reduce the Group's CO_2 emission in line with the Group's science-based targets, with a relative weighting of 10% of the maximum opportunity.

The Group's guidelines for executive remuneration 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 remuneration guidelines, see pages 121–123 and the Group's remuneration report.

GOV-5 Sustainability reporting risks and internal controls

Atlas Copco Group's sustainability reporting is subject to the same internal control processes as our financial reporting. The control framework is designed to reduce and mitigate risks associated with sustainability disclosures. The Board of Directors is ultimately responsible for establishing an efficient internal control system and oversees the work through the Audit Committee and CEO.

Sustainability controllers and business controllers regularly carry out risk assessments to identify potential risks in the sustainability reporting process, ensuring that internal control is adequate. Internal audit is carried out to verify the organizations' adherence to relevant policies and procedures related to sustainability reporting.

The main risks identified relate to data accuracy, for example errors and inconsistency in estimations. Another risk is the availability of value chain data and completeness of reporting.

To manage these risks, we continuously review and develop our sustainability reporting policies. We provide regular training for relevant employees on reporting guidelines, processes, and updates on identified risks and weaknesses. We work to improve data quality and accuracy with a focus on standardized calculations, key variables such as standard emission factors, assumptions and estimations. Controls are built into our reporting and consolidation system to ensure that the entered data is logical. We also perform regular quality checks to identify unusual variations. Environmental data, for example, is cross-checked against cost data to detect inconsistencies.

In 2023, we established the Sustainability Reporting and Disclosure Council to further strengthen governance in this area. In 2025, the Internal Audit function conducted a thematic audit focusing on sustainability governance and reporting processes. Corrective actions have been implemented to address the identified gaps. Several additional initiatives were also undertaken to enhance the quality and consistency of climate-related reporting and to further align methodologies across the organization.

The effectiveness of the process for assessing risks and executing control activities is monitored continuously. Findings from internal audits are regularly communicated to the Audit Committee and Group Management.

The Group's external auditors provide a limited review of the sustainability statement. Their process is risk-based and includes feedback, as described in the assurance report on page 167.

The audit and control processes and procedures are described in more detail in the section *Internal control over financial and sustainability reporting*, see pages 101–102.

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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 stricter than local laws and regulations, the Code applies. As stated in the Code of Conduct, we endorse the following international frameworks:

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

The Board of Directors is responsible for the Code of Conduct and reviews it regularly. In 2025, the structure and content of the Code of Conduct were updated, with topics including responsible use of technology and AI, and safeguarding cybersecurity. The new edition of the Code of Conduct will be released in early 2026.

To ensure that everyone within the Group knows about the Code and how to apply it, we have made implementation part of our Group targets. All employees are required to complete a leader-led ethics training every two years, in which ethical dilemmas are discussed. They also need to annually sign a Code of Conduct compliance statement, a process which includes a shorter online version of the leader-led ethics training. Our significant business partners are also required to commit to our Code of Conduct by signing our Business Partner Criteria.

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, which consists of one representative from each business area, HR, and sustainability controlling. As needed, specific updates are discussed with relevant stakeholders, including workstreams with representation from both the business areas and Group functions. The policy signed by the President and CEO.

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	86	78	75	73
Total workforce covered by certification	93	90	87	86
All production and distribution units				
Certified units	76	64	61	59
Total workforce covered by certification	91	86	81	80
All units				
Certified units	66	59	57	56
Total workforce covered by certification	87	84	82	81
Employees covered by certification	87	84	81	80
Additional workforce covered by certification	89	84	84	82

[1] Including acquisitions.

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- *Human Rights Statement:* expands on the Group's commitment to respect and support human rights and defines the procedures to ensure compliance across all operations. It applies to all employees, including consultants, as well as to all business partners throughout our upstream and downstream value chain.
- *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.



GOV-4 Statement on due diligence

Sustainability due diligence is the process through which we identify, prevent, mitigate, and account for actual and potential negative impacts on the environment and people resulting from the Group's operations. Requirements for sustainability due diligence and risk management are embedded in our processes through the Group's policies and guidelines, including our Code of Conduct, human rights statement, and SHEQ policy.

Our due diligence practices are guided by internationally recognized 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 assessments, and direct or indirect dialogue with our stakeholders.

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

The table below indicates where in this sustainability statement our due diligence processes are described, including how the key steps and components are applied.

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	**In this section under Governance and Strategy and business model.** Climate disclosures page 44, and Social disclosures page 61.
Engaging with affected stakeholders in all key steps of the due diligence	**In this section under Interests and views of stakeholders and Double materiality.** Own workforce engagement page 61, Value chain workers engagement page 71, and Consumer and end-users engagement page 73.
Identifying and assessing adverse impacts	**In this section under double materiality.** Environmental IROs page 44, Social IROs page 61, 71 and 73, Governance IROs page 74. Further details are included in each topical standard. For page references, see Index page 78.
Taking actions to address those adverse impacts	**Actions sections from each topical standard.** For page references, see Index page 78.
Tracking the effectiveness of these efforts and communicating	**Targets and metrics sections from each topical standards.** For page references, see Index page 78.

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BASIS FOR PREPARATION

Sustainability is integrated in Atlas Copco Group's way of operating and we publish both financial and sustainability data in our annual integrated report. Our ambition is to provide a clear and transparent overview of the Group's actual and potential impacts, risks, and opportunities, and how we manage them. This sustainability statement has been approved by the Board of Directors.

BP-1 BP-2 General basis for preparation

Atlas Copco Group is subject to the EU Corporate Sustainability Reporting Directive (CSRD) and has, in accordance with the Swedish Annual Accounts Act, reported in accordance with the European Sustainability Reporting Standards (ESRS) for the 2025 financial year. Information derived from other EU legislation is listed in the table on page 80.

Scope of consolidation

The sustainability statement covers Atlas Copco Group, including all entities that are consolidated in the Group's financial statements, see pages 159–161. Operations divested during the year are excluded, while acquired entities are gradually included in accordance with the Group's internal reporting guidelines. This may result in a delay of up to two years in the inclusion of data from acquisitions, primarily related to scope 3 emissions. For significant acquisitions, emission data for previous years is restated when it is included in the current year's reporting, to ensure comparability over time. Data collection and assessment of the impact of recent acquisitions is conducted continually. Due to the size and timing of acquisitions in 2025, we do not deem the impact of not yet included data to be material in relation to the total result of the Group.

The sustainability statement addresses the material impacts, risks and opportunities (IROs) of both our own operations and our upstream and downstream value chain, as identified through our double materiality assessment (DMA), see more details on pages 36–37. The extent to which policies, actions, targets and metrics apply to Atlas Copco Group's value chain is detailed in the relevant topical sections.

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.

We have not omitted any disclosures due to ongoing negotiations, or due to reasons of intellectual property. However, we have opted to use the phase-in provisions listed in ESRS 1 Appendix C applicable to the Atlas Copco Group.

Some disclosures assessed as below the materiality threshold in the DMA have been included under the heading *Additional information* on page 77, as they are requested by certain stakeholders or ESG rating institutes. These include disclosures related to water, biodiversity, and substances of concern.

Data collection and verification

Most sustainability data is integrated in the Group reporting and consolidation systems and is collected on a monthly or quarterly basis. Some data has been obtained from the Group's learning management systems, employee engagement survey and other sources. Reported facts and figures in the sustainability statement are verified in accordance with the Group's procedures for internal control, see more details on pages 101–102.

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

BP-2 Disclosures in relation to specific circumstances

Time horizons

The time horizons considered for the preparation of the sustainability statement are in line with those specified in ESRS 1, unless otherwise stated. Specifically, these time horizons are up to one year as short-term, from one to five years as medium-term, and more than five years for long-term.

Restatements and corrections

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 methodology or scope, or improved data quality. If corrections have been made that are deemed material, this is clearly indicated alongside the respective disclosure.

Uncertainties and estimates

We make estimates and assumptions regarding certain information and data, for example greenhouse gas (GHG) emissions in the value chain. Where metrics are based on estimations, second-hand sources, or are subject to measurement uncertainty, such information is disclosed in connection with the respective data. Any forward-looking information, such as targets or action plans, are uncertain in nature and the outcomes could be materially different.

Documentation supporting data reporting, such as invoices, is often received with a time delay. As a result, certain data may be based on estimation methods, including the use of a one-month reporting lag, to ensure that a full 12-month value is reported. This applies in particular to data related to energy, GHG emissions, waste and water.

Changes in preparation and presentation

Reporting according to the requirements of the ESRS has impacted some metrics in the sustainability statement, and the information in the 2025 report can therefore in some cases not be compared to previous reports.

External assurance

As required by the CSRD, the sustainability statement has undergone a limited review by Atlas Copco AB's external auditors, Ernst & Young. For more details see the auditor's limited review report on page 167.

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CLIMATE CHANGE

SBM-3 Impacts, risks, and opportunities

Atlas Copco Group generates greenhouse gas (GHG) emissions that contribute to climate change. The impact occurs throughout the value chain, including upstream, with the extraction and processing of raw materials, and suppliers' production of components. Emissions also occur in our own operations, through energy used in manufacturing and assembly processes, office buildings, and company cars. However, the vast majority of emissions come from our downstream value chain, during the use phase of our products, causing a negative impact over the short, medium, and long term. Since a majority of our products consume significant energy during the use-phase, improving energy efficiency is a key priority. This helps lower customer costs while also meeting their growing demand for low-carbon solutions. In addition, we see strong business opportunities in enabling technologies that support the transition to a low-carbon society. Our technologies play a key role in sectors such as electric vehicle manufacturing, renewable energy, energy storage, and carbon capture.

Climate change resilience analysis

Our climate change resilience analysis comprises both a physical risk assessment and a transition risk assessment. Climate-related risks, such as physical risks affecting operational entities and transition risks related to markets or products, are assessed annually at divisional level as part of the Enterprise Risk Management (ERM) process. This includes an assessment of the resilience of our business model and strategy to such risks, and their potential financial implications. The assessment indicates that currently identified climate-related risks can be managed without substantial changes to our existing business model and strategic direction. An aggregated analysis of the risks, including the resilience, is presented annually to Group Management. The findings from the analysis of climate-related risks and opportunities were also integrated into our double materiality assessment. Details on the scope, time horizons, scenarios, and results are provided in the sections below on *Physical risks* and *Transition risks*. Read more about the risk management process on page 85.

As climate-related risks and opportunities are closely linked, 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 energy segments, are primarily identified as part of the divisions' strategy development processes and on an ongoing basis within our operations. Climate scenarios and assumptions used in the ERM process also inform the climate-related assumptions made in the financial statements.

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 affect the value chain, including potential 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 the transportation of goods to ensure they are resilient to physical risks and to assess available alternatives.

In 2024, we conducted an assessment of the exposure of the main sites in our own operations to physical climate risks, both chronic and acute (such as heatwaves, floods, droughts and precipitation). The analysis was based on internal data, as well as climate projection data and models provided by a third party. It covered three different climate 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). The RCP 4.5 scenario was selected as the baseline for evaluations, as it is currently considered the most likely pathway. In 2025, additional aspects, such as rainfall-triggered landslides, were incorporated into the assessments.

The results indicate that the greatest potential exposure for the assessed sites relates to precipitation, flooding and hail – exposure that exists already today but is expected to intensify in the medium and long term. While some regions may experience stabilization of certain hazards over time, the overall risk levels for the Group are expected to rise toward 2050.

Exposure to wildfire and extreme cold is relatively limited in the short term. Cold-related risks are expected to decline further over time, while areas already exposed to very low temperatures are generally well adapted to such conditions.

A few sites have been identified as being potentially exposed to rainfall-triggered landslides and are undergoing individual review. However, these exposures do not currently present material risks for the Group, as proper mitigation actions are in place, such as risk-prevention measures or group insurance coverage.

In addition, a pilot study was conducted involving a select number of suppliers from each business area to evaluate their current and future exposure. The objective was to assess how this data can support purchasing teams in their decision-making processes.

Transition risks and opportunities

A transition towards a low-carbon economy is associated with policy and regulatory risks, technology 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, including transition events, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), identifying and assessing climate-related transition risks and opportunities with actual or potential impacts on the Group. Two scenarios were analyzed: a rapid transition (RCP 2.6) and a business as usual (RCP 8.5) pathway. In 2025, internal subject matter experts reviewed the scenario analysis and reassessed potential transition risks and

* A Representative Concentration Pathway (RCP) is a greenhouse gas concentration trajectory adopted by the Intergovernmental Panel on Climate Change (IPCC) that describes a possible climate change scenario.

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opportunities across five time horizons, ranging from the immediate (< 3 months) to the strategic (>7 years).

A variety of risks and opportunities were identified throughout our value chain and the insights from the assessment were integrated into the overall ERM framework. One of the identified challenges concerns the electrification of a few diesel-fueled products, which depends on both customer acceptance of new technologies and the development of supporting infrastructure. This and other aspects are already being addressed, see page 46 for more information on the levers to reach our scope 3 targets. 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.

E1-1 Transition plan for climate change mitigation

We believe we are well positioned for a transition to a low-carbon society through our strategy and business model, and by actively managing greenhouse gas emissions throughout our value chain. We have adopted targets to reduce absolute GHG emissions from our operations (Scope 1 and 2) and from our value chain (Scope 3), as described on page 47. Our targets have been validated by the Science Based Targets initiative (SBTi) as aligned with the Paris Agreement. The Board of Directors approved these targets, which have guided our climate-related work since 2022.

We are actively working to further develop our climate transition plan, including roadmaps and targets beyond 2030. Our target is for the long-term transition plan to be fully developed by the end of 2026.

E1-2 Climate-related policies

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, such as the Group's development of technologies, products and services that increase energy efficiency, and that enable the transformation to a low-carbon society. See more information on the scope and implementation of the Group's Code of Conduct and SHEQ policy on page 41.

E1-3 Actions and resources

Atlas Copco Group is committed to continuously improving our environmental performance and we address emissions in our own operations and across our value chain through the levers and key actions outlined below. The effectiveness of these actions is evaluated using the targets and metrics described on page 47.

The Group's operational emissions, scope 1 and 2

To reduce emissions from our own operations, we focus on energy-saving measures and increasing our use of renewable energy.

Energy efficiency – A majority of our sites are certified according to ISO 14001. In addition, many of our sites are also certified against ISO 50001 for energy management. These certifications ensure focus on continuous improvements in terms of energy efficiency.

Low-carbon energy – Over the past few years, we have made significant progress in reducing emissions from our own operations, largely driven by a higher share of renewable electricity and lower carbon intensity of the grid in certain markets. However, access to renewable energy remains a challenge in certain markets. To address this, we actively seek alternative solutions and continue to explore options for on-site renewable electricity generation.

In addition to renewable electricity contracts and power purchase agreements, we have installed solar panels in multiple locations. In 2025, the number of entities reporting direct solar energy increased significantly compared to the previous year. Although direct solar energy still represents a small share of total energy consumption, its contribution doubled compared with 2024.

We are also continuously exploring alternatives to heating fueled by natural gas. We have, for example, invested in heat recovery technology to capture waste heat from compressors to heat buildings, significantly reducing the need for natural gas. In many cases, this is achieved using Atlas Copco compressors and heat recovery systems. Sites also continue to transition from natural gas boilers to biogas or to heat pumps. Since early 2025, one of our sites in Hungary has significantly reduced its consumption of natural gas by replacing most gas heating with electric AC units that also provide cooling in the summer. Powered by purchased renewable electricity, these units also lower both energy costs and Scope 1 and 2 emissions.

Some of our fuel-driven products require on-site testing. For the past few years, we have been using biofuels such as HVO (Hydrotreated Vegetable Oil) for testing on at least half of our sites. At some sites where fully renewable fuels are not yet in use, a blend of biodiesel is used.

Environment	Target	2025	2024	2023
Reduce CO_2e emissions (tonnes) from scopes 1 and 2, compared to the base year 2019*	–46% by 2030	–46%	–42%	–37%
Reduce CO_2e emissions (tonnes) from scope 3, compared to the base year 2019*	–28% by 2030	+9%	+15%	+28%
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	–	–	–
Projects for new and redesigned products with targets for reduced carbon impact	100% annually	98%	96%	95%

* 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°C warming trajectory, and the target for scope 3 is in line with the well below 2°C warming trajectory.

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Company vehicles – Addressing emissions from our company vehicles, including the service fleet, will enable further reductions of emissions and will be in focus going forward. Our Group policy for company vehicles is aimed at continuously ensuring the use of fuel- and energy-efficient vehicles with a low carbon footprint. While progress is being made in some markets, poor infrastructure for electric vehicles in other areas delays improvements. As an alternative, HVO100 diesel is used for service vans in the Nordics.

Emissions in our value chain, scope 3

More than 95% of the CO_2 emissions from our value chain are generated during the use phase of our products. Since electricity is the primary energy source, the emissions during use largely depend on the source of electricity used by our customers.

Product energy efficiency and optimization – Since the main impact comes from the product use phase, we focus on developing highly energy-efficient products and solutions to optimize the carbon footprint across their entire lifecycle. All projects for new or redesigned products are required to include targets for reducing carbon impact. Additional emissions reductions can be achieved through the guidance we provide on product use, as well as through our service and optimization offerings. See the table on this page for a description of our business areas' methods for reducing product-related carbon impact, and examples of solutions with lower carbon impact on pages 50–51.

Electrification and alternative fuels – We continue to electrify the remaining share of the Group's products that are not yet electrified. Where combustion engines are still in use, alternative fuels are encouraged. For example, Specialty Rental, a division within the Group, promotes the use of non-fossil diesel by installing HVO pumps at its rental center in Belgium. Customers receive an initial fill of HVO for pumps, generators, or compressors, with refills available during the rental period.

Business partner collaboration – Working with suppliers as well as logistics and transport partners is also part of our efforts to reduce scope 3 emissions. Our ambition is to continuously increase the share of suppliers that have an environmental management system. This ensures focus on resource efficiency and continuous improvement related to environmental performance, which helps reduce the impact of purchased goods. We also actively engage with suppliers to find lower impact alternatives to different materials. This includes increasing the content of recycled materials and material from renewable sources.

Efforts with forwarders and logistics partners include shifting towards more sustainable transport modes such as sea and rail, while limiting the use of air freight where possible, and consolidating shipments to optimize load efficiency. As an example, the Power Tools Distribution Center (PTD) has reduced emissions by switching to reusable carton pallets and modifying packaging to allow pallets to be stacked in containers, resulting in fewer containers needed per shipment. Using more sustainable fuel alternatives and electric trucks are other measures that are being explored. Sustainability in transport is maintained as a shared focus across the Group's business areas through the Global Transport Sustainability Council.

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 following acquisition, where applicable. See page 41.

Environmental trainings

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

Actions to address the levers are embedded in our divisions' strategies, and the associated costs cannot be identified separately. While investments in R&D support improved product efficiency, they are not categorized specifically as related to climate mitigation.
Most of the disclosed actions are ongoing and contribute to achieving our climate targets by 2030, therefore, specific completion dates for individual actions cannot be provided.

Business area's levers for reaching scope 3 targets

Considering the varying characteristics of our products, each business area has developed their own approach to reducing product-related climate impact. However, all share the common goal of increasing 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 crucial to the ability of all business areas to meet the Group's climate targets.

Business area	Focus
Compressor Technique 	• Continuously improving product efficiency • Optimizing compressor rooms by more intelligent central controls • Promoting energy-efficient product variants with low total lifetime energy use (e.g. Variable Speed Drive, centrifugal technology, high-performance filtration) • Integrating design-for-life and design-for-service in product development • Investments in IoT solutions to facilitate aftermarket activities in maintenance, repairing, upgrading and lifetime extensions
Vacuum Technique 	• Improving product performance • Integrating smart technology to optimize the energy required • Leveraging our service teams to deploy product upgrades, and extending product lifecycles
Industrial Technique 	• Developing and providing electric alternatives for the pneumatic product ranges • Improving energy efficiency in the current product range • Supporting customers in optimizing use of the products
Power Technique 	• Providing electrified product alternatives, supported by energy storage systems and mobile solar power plants • Improving fuel efficiency of the internal combustion engines • Stimulating customers' use of renewable diesel by providing solutions to supply HVO (hydrogenated vegetable oil) on construction sites • Application knowledge, assuring to sell the right product with the smallest footprint

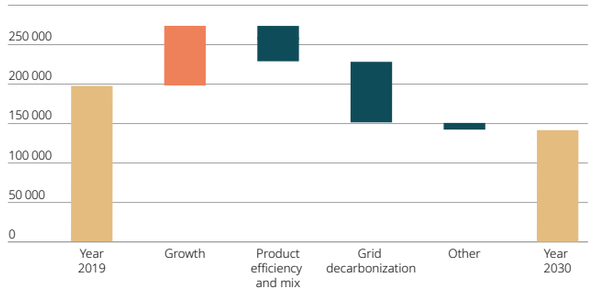
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Levers and dependencies related to reducing scope 3 emissions in line with the Group target.

Scope 3 emissions 2019–2030, $ktCO_2$



The main levers illustrated above indicate the potential impact of specific measures and the dependency of external factors that are part of our plan and affect our ability to achieve our targets for 2030. These levers were identified in 2021 during our transition planning, and our identification of risks and opportunities for decarbonizing our value chain. While the relative importance of these factors may shift over time, they are expected to remain largely relevant well beyond 2030. Given the continuous development of our business and improvements in reporting methodology over time, the figures should be considered indicative rather than exact.

E1-4 Targets related to climate change

We have committed to reducing the greenhouse gas emissions across 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°C. We will also reduce the emissions from our value chain (scope 3) in line with keeping the temperature rise well below 2°C (WB2DS), including those emissions that occur when our products are in use. Our targets up to year 2030, and underlying methodology, have been validated by the Science Based Targets initiative and were implemented in 2022.

The targets for scope 1 and 2 follow a 1.5°C cross-sector decarbonization pathway. The scope 3 target follows a WB2DS pathway. Both targets are based on conclusive scientific evidence. The underlying methodology follows SBTi's guidance for target setting, including conducting GHG inventory and category-level hotspot analysis. Read more about our carbon emissions on page 52–53.

The base year 2019 was selected when submitting our targets to the SBTi, representing the most recent full calendar year with complete and reliable data, and reflecting a normal level of production activity for the Group. The base year data is restated when necessary, as described on page 53, to allow consistent and meaningful comparability of emissions over time.

Since the targets are set for absolute emission reductions, possible future developments, such as changes in sales volumes or shifts in customer demand, will not affect them. GHG removals, carbon credits, or avoided emissions are not considered as means toward achieving these targets.

The Group's operational emissions, scope 1 and 2

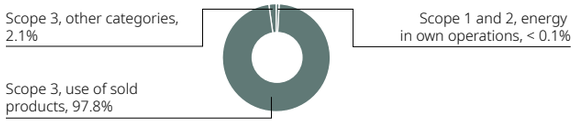
In 2025, CO_2 emissions from our own operations were 46% lower compared to the baseline year of 2019. This reduction was driven by a higher share of renewable electricity and decreased carbon intensity in certain markets. The share of renewable electricity and district heating in our facilities reached 89% (85). However, limited availability of renewable energy in certain markets remains a challenge, requiring us to actively pursue alternative solutions.

Emissions in our value chain, scope 3

All projects for new or redesigned products must have targets for reduced carbon impact. In 2025, 98% of the projects had set such targets.

In 2025, the absolute emissions in scope 3 were 9% 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 sources in our customers' markets is critical to achieving further reductions.

Contribution by scope to the total carbon emissions footprint



See the GHG emissions table on page 53 for amounts in tonnes.

Scope 1
Company vehicles, natural gas and other fuels used on site.

Scope 2
Electricity and district heating used on site, electric company vehicles.

Scope 3, use of sold products
Emissions generated mainly from electricity consumption and other energy sources consumed throughout the use of our products during their estimated lifetime.

Scope 3, other categories
Purchased goods and services, leased assets downstream, capital goods, fuel and energy- related activities, transportation and distribution, waste generated in own operations, business travel, employee commuting, end-of life treatment of used products, and investments.

E1-8 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. Incorporating a financial cost of carbon into investment decisions helps ensure that these aspects are considered.

In 2021, we introduced a guideline for incorporating carbon pricing into capital investment (CapEx) decisions to ensure that climate impacts are taken into account, for example in connection with energy-related infrastructure investments. The guideline was updated in 2024, including a carbon price of 1 500 SEK/tonnes CO_2e. The shadow price was selected based on the Swedish carbon tax rate and global carbon-pricing benchmarks, such as the World Bank Carbon Pricing Dashboard, which reflect the chosen carbon price.

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Energy consumption and mix

While energy consumption in our own operations is not assessed as material, the data provides context for our GHG emissions and is requested by certain stakeholders.

The increase in total energy consumption in 2025 compared to 2024 is largely related to the relocation of a site in China.

Energy consumption, MWh	2025	2024	2023
Own facilities	564 094	533 859	531 414
Direct energy	171 548	156 474	153 441
Indirect energy	392 546	377 385	377 973
Company vehicles	241 526 [1]	248 877	225 452
Direct energy	238 848	246 986	222 097
Indirect energy	2 678	1 891	3 355
Total energy	805 620	782 736	756 866
Direct energy	410 396	403 460	375 538
Indirect energy	395 224	379 276	381 328
Energy /revenue			
Total energy / revenue (MSEK)	4.8	4.4	4.4

[1] Around half of the decrease in MWh related to energy consumed by company vehicles compared with 2024 is due to an updated calculation methodology, taking into account an average biofuel blend.

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 (98%) and district heating (2%) used at the sites or by company vehicles.

Renewable energy sources, %	2025	2024	2023
Own facilities	68	64	61
– Direct energy	20	13	8
– Indirect energy	89	85	82
Company vehicles	5	5	4
Total	49	45	44

The share of renewable energy does not include "renewable of mix" for indirect energy, only fully renewable indirect energy supported by renewable energy certificates or contractual agreements.

Environmental Award

Our Environmental Award was established in 2004 to honor outstanding performance in preserving the environment for future generations. In 2025, the award was presented to the site Airpower's power purchase agreement (PPA) project for securing long-term renewable electricity from an offshore wind farm in Belgium. It is the Group's first long-term corporate PPA and a good example of a solution with both environmental and economic benefits. The winner is selected by the Group's Sustainability Council.



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Enabling customers to avoid emissions

Standard greenhouse gas reporting does not fully reflect the climate impact that a company can have through its products and services. While Scope 3 data includes the emissions from customers' use of a product, it does not capture the emissions that customers may avoid by using more energy-efficient solutions or alternative technologies.

To complement our Scope 3 data and provide a more comprehensive picture of our climate impact, we have initiated a complementary reporting effort to quantify the CO_2e emissions that our products and solutions help customers avoid, compared to a reference scenario in a customer application.

As part of a pilot assessment, we have calculated the avoided emissions for a limited selection of products and technologies sold in 2025, focusing on the use phase, as this represents the vast majority of the life-cycle climate impact. The aim is to evaluate the decarbonization effect of our portfolio, related to energy efficiency, energy optimization and recovery, and electrification. These effects may arise at either the product level or the system level.

While there is currently no universally accepted standard for calculating avoided emissions, we apply the same methodology used in our Scope 3 reporting to compare products and solutions against a reference scenario. The calculations follow the principles and logic defined in our internal Product Carbon Footprint tool (PCF tool). Inputs from R&D, marketing, and sales include typical use cases for selected products in specific applications, sales volumes, and expected lifetimes. The expected lifetime of products and technologies may vary significantly depending on the application.

Based on sales in 2025, the selected pilot products and technologies are estimated to enable our customers to avoid more than 6 500 000 tonnes of CO_2e over their operational lifetime. These include selected premium-efficiency compressors, central controllers, energy recovery solutions, on-site gas generation, low-pressure blowers for marine applications, high-efficiency filtration, portable compressors, generators combined with battery packs, diaphragm triplex pumps, booster pumps, and cryogenic compressors.

As this is an early-stage pilot, the analysis covers a small portion of our portfolio, and the results should be viewed as indicative rather than comprehensive. Other products and technologies also contribute to the transition to a low-carbon society, while some of the Group's older portfolio does not have the same decarbonization potential. As the potential of a product or technology to contribute to avoided emissions is only relevant until a better solution is found, the selection of products and technologies will change over time. We will continue to refine and further develop our internal processes and guidance to deepen our understanding in this area.

Read more about selected products that support customers in avoiding emissions on pages 50–51. Here, sales are not limited to 2025. For some of these stories, forecasted sales volumes are also included to estimate the potential impact of products or technologies sold over a longer period than one year.

More than

6 500 000

tonnes of CO_2e avoided over the lifetime of selected products and technologies sold in 2025.



The Atlas Copco NGP20+ generates high-purity on-site nitrogen for customers, while enabling significant carbon emissions avoidance.

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Advancing alternative fuels adoption in marine applications

Global shipping carries nearly 90% of international trade cargo and accounts for 3% of global greenhouse gas emissions. To align with carbon emission reduction ambitions, the industry is accelerating the use of alternative fuels. Ammonia offers a carbon-free solution, but its toxicity and reactivity pose operational challenges. Robust, efficient pumping technology is essential for safe integration into fuel gas supply systems (FGSS).

The hermetically tight, fail-safe LEWA triplex diaphragm pumps have proven reliable in handling liquefied petroleum gas (LPG) and ammonia under demanding conditions, combining operational reliability with low pulsation. With a compact footprint, these pumps deliver significantly higher efficiency than centrifugal alternatives, reducing the annual CO_2 footprint by 75 tonnes. These features make them particularly suited for future-ready FGSS solutions.

The G3E is the latest and smallest addition to the triplex pump portfolio. Delivering up to 10 kW of hydraulic power, the innovative pump features a vertical motor arrangement that reduces the installation footprint by 30% while allowing stroke frequencies of up to 350 per minute. The result is exceptionally broad operating flexibility combined with efficiency levels of 80–90%.

As early as 2022, early adopters of ammonia fuel gas injection systems selected the LEWA triplex diaphragm pump as their preferred technology. The G3E sets a new benchmark for marine FGSS by combining compact design, high efficiency, and extended service intervals.

Based on the number of pumps sold for marine applications in 2025, these pumps are together estimated to avoid the release of approximately 60 000 metric tonnes of CO_2e over their lifetime.

Savings of around

60 000

metric tonnes of CO_2e emissions over their lifetime



Advancing efficiency in semiconductor chip manufacturing

Ion implant and plasma vapor deposition processes are integral to semiconductor chip manufacturing processes to create small and intricate patterns on silicon wafers. Edwards CTI On-Board® *IS* cryopumps and cryo compressors are used to achieve the low vacuum pressure in those applications.

The Edwards *IS*-1800V compressor is the latest generation model of On-Board® *IS* compressor series. It has a smaller, space-saving footprint than the previous generation and variable speed operation enables energy and cooling-water savings as the compressor runs at lower speed settings whenever the application permits.

The *IS*-1800V was launched in 2022 and has been successfully qualified at original equipment manufacturers (OEMs) and semiconductor fab end users.

For typical ion implant applications with three On-Board® *IS* 320FX cryopumps, upgrading from the *IS*-2000V to the *IS*-1800V compressor will reduce energy consumption and carbon emission by approximately 20% and cooling water by approximately 40%. We estimate that, over the potential total 2030 installed base, the solution could avoid emissions of around 95 000 metric tonnes CO_2e and deliver over 100 million m^3 water savings over its lifetime.

Savings of around

95 000

metric tonnes of CO_2e emissions over its lifetime



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When corded solutions become flexible

The AXON controller is an innovative platform designed to support the full range of Desoutter's corded tightening tools. By combining a powerful tightening drive with a smart removable user module into a single system, AXON enables seamless control and data integration for both handheld and fixtured tools with torque capabilities ranging from 0.5 Nm to more than 2 000 Nm. This all-in-one approach simplifies operations, reduces hardware complexity, and ensures consistent performance across a wide variety of customer applications.

Choosing AXON not only increases assembly line efficiency, but also improves environmental performance. Its advanced design brings significant CO_2 reductions. Compared with the previous generation, the platform achieves an average of 46% CO_2 savings through efficient architecture and optimized operational use.

Beyond the CO_2 savings, consolidating to a single versatile platform provides additional environmental and operational benefits: it facilitates equipment reuse as production lines evolve, reduces the need for multiple backups, and simplifies maintenance and inventory management.

With support across demanding sectors, including automotive, aerospace, data centers, batteries and general manufacturing, AXON empowers our customers to improve productivity, ensure consistent tightening quality, and align their operations with corporate sustainability goals. Based on sales in 2025 and expected sales over the next two years, the AXON controller has the potential to avoid the release of approximately 1 000 metric tonnes CO_2e over its lifetime.

Savings of approximately

1 000

metric tonnes of CO_2e emissions over its lifetime



AI-powered optimization of compressor rooms

Customers worldwide are looking for ways to optimize their compressed air and gas systems, to lower energy use, reduce CO_2 emissions, and achieve the lowest total cost of ownership. Atlas Copco's premium central controller, the Optimizer 4.0 (S), is designed to help our customers take control of their energy-intensive compressed air installation, facilitating ISO50001 certification. The latest in-house-developed hardware features an advanced control algorithm, enhanced with Artificial Intelligence.

The Optimizer 4.0 (S) manages a multiple compressor room to ensure stable, energy-efficient operation. It continuously ensures that the mix of compressors running simultaneously is optimized, while maintaining the required airflow and pressure. It avoids inefficient unloaded hours on fixed-speed units by keeping variable speed drive compressors running close to their optimal efficiency point and by preventing turbo blow-off through efficiently sharing the load.

The newly launched "S" package brings AI-based features that predict future air demand and machine behavior, further improving energy savings and pressure stability. This package is offered via subscription, so customers can choose to benefit from updates and ongoing improvements to the AI model.

Since connectivity is essential in today's industry, each Optimizer 4.0 (S) includes a Smartbox PRO, enabling SMARTLINK AI logic to monitor system performance and make recommendations. Together with yearly service visits and software updates, customers can rely on sustained optimization and consistent energy savings.

Based on the number of Optimizer 4.0 (S) sold globally in 2025, we estimate that our customers will avoid approximately 1 040 000 metric tonnes CO_2e over the lifetime of the solution.

Savings of about

1 040 000

metric tonnes of CO_2e emissions over the systems' lifetime



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Greenhouse gas emissions in the value chain – calculation methods

In 2021, we conducted a greenhouse gas inventory analysis across our value chain, which formed the baseline for our science-based targets. A common Group methodology was used, with 2019 as the baseline year.

During 2025, we conducted a review of the inventory. The purpose of the review was to validate Scope 1 and 2 reporting, and to update and improve the previous impact assessment for selected Scope 3 categories, ensuring alignment with the Group's current carbon footprint. Scope 3 category 11 (product use-phase) was not included, as data accuracy for this category is already reviewed regularly within the business areas and managed through the established restatement process.

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

Scope 3
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 (ISO 14064) 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. Divisions complete the calculations and monitor the development of emissions. Scope 3 categories 1 (product-related), 4, 6, 9, 11 and 13 are calculated quarterly, while fixed values are used for categories 1 (non-product-related), 2, 3, 5, 7, 12 and 15. Results are consolidated and monitored at business area and 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. To increase data reliability and reduce uncertainties, we continuously develop and improve our processes and tools. As part of this effort, a GHG restatement process was introduced in 2023, 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 and purchased goods and services are calculated using the PCF tool methodology, applied by product specialists to products sold in global markets. This method incorporates country-specific carbon intensity factors for direct electricity-related emissions during the product use phase, as well as estimates of typical fuel and refrigerant impact, load profiles, operating cycles, and typical average product lifetimes, depending on the product type. Material-specific emission factors are also applied to the embodied product construction materials used in purchased goods and services. The PCF tool is utilized to generate example cases for a large number of different mechanism reference products, which are then scaled up to apply to product families with similar mechanisms.
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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E1-6 GHG emissions (restated values)

(CO_2e) '000 tonnes	2025	2024	2023	Retrospective base year 2019	% change 2025 vs. 2024	% change vs. base year [1]	Milestones and target years 2030
Scope 1							
Gross Scope 1	83	86	87	97	–3	–14	
Scope 2							
Gross location-based [2] Scope 2	144	145	146	–	–1	–	
Gross market-based Scope 2	18	24	31	92	–25	–80	
Scope 1 + 2							
Scope 1 + 2 (market based)	101	110	118	189	–8	–46	–46%
Scope 3							
Total gross indirect Scope 3	216 640	228 683	254 012	199 220	–5	+9	–28%
Purchased goods and services	2 459	2 573	3 070	2 538	–4	–3	
Use of sold products	211 992	223 768	248 596	195 054	–5	+9	
Leased assets downstream	1 749	1 883	1 859	1 126	–7	+55	
Other categories	440	459	487	502	–4	–12	
Total							
Total GHG emissions (location based) [2]	216 867	228 914	254 245	–	–5	–	
Total GHG emissions (market based)	216 741	228 793	254 130	199 409	–5	+9	

GHG emissions[3]/revenue[4]

(CO_2e) tonnes / MSEK	2025	2024	2023	Retrospective base year 2019	% change 2025 vs. 2024	% change vs. base year	Milestones and target years 2030
Scope 1+2 (market based) GHG emissions / revenue	0.60	0.62	0.63	1.61	–3	–63	
Scope 3 GHG emissions / revenue	1 287	1 292	1 468	1 887	0	–32	
Total GHG emissions (market based) / revenue	1 287	1 293	1 469	1 888	0	–32	
Total GHG emissions (location based) [2] / revenue	1 288	1 294	1 469	–	0	–	

[1] The Scope 1 and 2 GHG emissions "% change vs. base year" is based on non-rounded data not shown in the table.
[2] Not all entities included in the current scope reported the data needed to calculate location-based emissions in 2019.
[3] Historic data has not been restated for acquisitions.
[4] GHG emissions are divided by net revenue as disclosed in the financial statements on page 117.

GHG emissions restatement specification

(CO_2e) '000 tonnes	2024	2023	Base year 2019
Scope 1+2 GHG emissions			
Initial reported Scope 1+2	114	113	162
Adjustment to Scope 1+2	–4	5	27
Restated Scope 1+2	110	118	189
Scope 3 GHG emissions [1]			
Initial reported Scope 3	224 212	250 528	170 634
Adjustment to Scope 3	4 471	3 484	28 586
Restated Scope 3	228 683	254 012	199 220

[1] Restatements in 2025 resulted in an increase in total Scope 3 emissions from the baseline to actuals, primarily due to further alignment across business areas on reporting methodology as well as longer assumed lifetimes for certain products.

Restatements

Atlas Copco Group has developed guidelines for restatements that apply 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.

Methodology

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. Categories 8 (Upstream leased assets), 10 (Processing of sold products), and 14 (Franchises) are not applicable to our operations and business model. All other relevant categories are included under "Other categories". Out-of-scopes data for biogenic CO_2 emissions from the combustion or bio-degradation of biomass are associated with certain activities in Scopes 1 and 3 and amounted to 10 003 tonnes in 2025 (4 388). The main difference from the previous year is due to an updated calculation methodology, taking into account an average bioblend of fuels used for company vehicles, calculated by applying DEFRA factors to the fuel volumes by type. CO_2e stands for carbon dioxide equivalents.

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RESOURCE USE AND CIRCULAR ECONOMY

SBM-3 Impacts, risks, and opportunities

The majority of the resources used in the Group's production and assembly processes are purchased components, while only some core components are manufactured internally. Our suppliers and our own operations rely on natural resources as input materials, with the most common ones being 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 handle hazardous waste in accordance with established procedures. The maturity of waste management varies across the countries where we source, 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.

To mitigate our environmental impact, we apply circularity principles in product design, including measures to extend product lifetime. This also contributes to reducing waste generated in our own operations and at the end-of-life of our products. Resource efficiency and circularity practices in product design, production and use are growing in importance for customers and other stakeholders. This is reflected in upcoming regulatory frameworks. Adopting a circular approach thus represents both a business opportunity and a potential competitive advantage in the short- and medium-term.

Environmental impacts related to resource use and circularity were mapped based on known impacts across the value chain and the Group's business activities, as well as insights from ongoing circularity initiatives within the divisions. This included assessing where natural resources are required as input materials and where waste is generated – by suppliers, in our own operations and at the end of life of our products. While no formal consultations with affected communities have been conducted via Group functions, the assessment reflects available insights from the value chain and ongoing initiatives.

E5-1 Policies related to resource use and circular economy

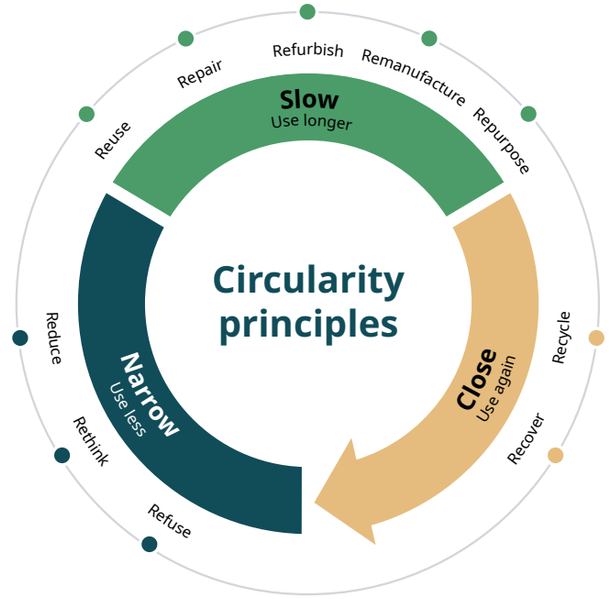
Atlas Copco Group's Code of Conduct is the central guiding policy underscoring our commitment to reduce the environmental impact from our own operations and along the value chain. It is complemented by our SHEQ policy, which states that we apply circularity principles throughout the product lifecycle and focus on a responsible use of resources. This includes further exploration of opportunities to transition away from the use of virgin resources, towards resources with higher recycled content, where possible. We are also committed to monitor and avoid any environmental harm caused by our operations, including waste generation. Further information on the scope and implementation of the SHEQ policy is described on page 41.

E5-2 Actions and resources

Circular principles in product development

Atlas Copco Group applies a life cycle approach to innovation, designing products with their entire lifecycle in mind – from sourcing and production, to energy consumption and disposal. Since 2024, we have a Group-wide methodology in place to assess the circularity of all new or redesigned products. It provides a consistent structure for evaluating circularity metrics and applying circular design principles across the organization.

We focus on three main circularity strategies – narrow, slow and close – each supported by specific circularity principles. The *narrow strategy* aims to reduce the resources needed per product and/or function and includes the circularity principles refuse, rethink and reduce. The *slow strategy* refers to slowing resource loops by slowing down resource consumption, and includes the circularity principles reuse, repair, refurbish, remanufacture and repurpose. The *close strategy* refers to closing resource loops by recycling and recovery.



Environment	Target	2025	2024	2023
Projects for new and redesigned products with applied circularity principles according to internal guidelines	100% by 2027	38%	–	–
Reuse, recycle or recover waste from internal operations	100% by 2030	93%	91%	91%
Increase share of significant direct suppliers with an approved environmental management system	Continuous increase	37%	31%	31%

Durability, repairability and recyclability

We focus on extending the lifespan of our products through innovation, optimization and service offerings. Our Group-common circularity principles are being implemented in the R&D processes reinforcing the development of products that are durable, repairable, and easy to disassemble for recycling.

Service is a key part of our business, and we offer a wide range of service agreements and products tailored to different customer needs. These include various service offerings, preventive maintenance programs, and refurbishment. Some preventive maintenance programs are supported by product data analytics, such as SmartLink, which enables improved planning and more efficient service, as well as improved product uptime and energy efficiency.

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

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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.

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 72 for further information.

Product material and packaging

Our products are largely made of steel, which requires a considerable amount of raw material, water and energy to produce. By applying circularity principles in the product development process, the choice of material as well as size of the product can be reassessed, where possible. We are also exploring opportunities to collaborate with suppliers to increase the use of materials with recycled content.

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 cardboard, where possible. Some divisions also use reusable packaging for transportation of components between suppliers and our sites.

Waste management

Reducing waste is important to decrease the total environmental impact from our production and increase resource efficiency. The most relevant waste stream is metal waste and most of the scrap metal 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.

Towards more sustainable packaging

At our Power Tools Distribution center in Belgium, a shift is underway towards packaging materials with a lower environmental impact. The aim 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. When plastic is necessary, we prioritize foils and straps with higher recycled content. We also work to maximize the re-use of inbound packaging for outbound shipments. In addition, small wooden pallets are being replaced with carton pallets, reducing transport weight and making recycling easier for customers.

E5-3 Targets and metrics

The Group's new target, effective from 2025, requires all projects for new or redesigned products to apply circularity principles in line with the Group's internal guidelines. The target builds on the divisions' efforts to develop a common tool to integrate circularity into product development. The tool provides a structured approach to assessing relevant circularity principles in product development projects. In 2025, the first year the tool was applied, good progress was made, with 38% of new projects applying the common circularity principles.

Regarding waste management, our target focuses on the upper levels of the waste hierarchy. By 2030 we aim to reuse, recycle, or recover 100% of the waste generated in our own operations. In 2025, this share increased to 93% (91), supported by measures taken at some production facilities to divert waste from disposal.

The above-mentioned targets have been adopted with consideration to current and future legislation.

We also have a target for the share of significant direct suppliers with an approved environmental management system to increase continuously. In 2025, our efforts resulted in an increase in this share to 37% (31). As achieving certification requires a long-term commitment from suppliers, we continue to actively encourage this development.

For more information on our progress toward the targets, see page 54.

At present, there are no Group-common targets regarding circular material use rate, minimization of virgin raw material, sustainable material 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 the share of recycled content in our products and packaging.

E5-4 Resource inflows

Weight and share of recycled content

Increasing the share of recycled materials in our products is a way to contribute to increased circularity. While some metals already contain a high proportion of recycled content, recycled alternatives for other materials remain limited.

We have taken steps to gather information about the total weight of product and packaging materials and the share of recycled content of main categories of material. A majority of the Group's business areas and divisions use an internal tool to identify and quantify the materials of a set of reference products. To present meaningful data, we continue to gather information to establish an accurate baseline. Gathering information about recycled content in purchased materials is also a challenge. While actual data from suppliers on recycled content is the ultimate ambition, other data sources, such as regional averages, will have to be used in the meantime.

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E5-5 Resource outflows

Industry standards for measuring and comparing durability, repairability, and recyclability remain limited. In the absence of broadly accepted frameworks, we take a pragmatic approach and recyclable content can be calculated with the help of the Group-common tool. While our current method offers insight into recyclability potential, we continue to improve data quality and availability to better reflect reality. At the same time, progress is being made at the industry level to define comparable metrics. We welcome these developments and will continue to align our approach with emerging standards as the field evolves.

Durability

Extending the lifespan of products is a key concept of circularity, and has long been a focus in the Group. This includes preventative maintenance and service that contributes to the durability of our products.

We have a broad product range, with lifetimes that vary significantly between product groups. As a result, presenting an average lifetime or other quantitative information would be of limited relevance.

Repairability

Our products are designed to facilitate repairability, and service is a significant part of our business. We focus on preventive maintenance to ensure timely repairs and minimize unplanned downtime for our customers.

Recyclability

Many of our products consist of iron and steel, materials that are recyclable. Our Group-wide circularity tool allows us to calculate an estimate of a product's recyclability; however, data on actual recyclability is currently unavailable.

Waste from own operations (tonnes)	2025	2024	2023
Total waste	64 304	60 796	57 598
Waste diverted from disposal	59 617	55 576	52 560
Preparation for reuse	2 047	2 317	1 699
Recycling	50 769	45 216	41 117
Other recovery operations	6 801	8 043	9 744
Specification:			
Hazardous waste diverted from disposal	12 552	12 445	–
Non-hazardous waste diverted from disposal	47 065	43 131	–
Waste directed to disposal	4 687	5 220	5 038
Incineration	264	351	–
Landfill	3 993	4 465	–
Other disposal operations	430	404	–
Specification:			
Hazardous waste directed to disposal	1 480	1 530	–
Non-hazardous waste directed to disposal	3 207	3 690	–

Waste from own operations specifications	2025	2024	2023
Non-recycled/non-reused waste (tonnes)	11 488	13 263	14 782
Non-recycled/non-reused waste (%)	18	22	26
Reused, recycled, recovered (%)	93	91	91
Total hazardous waste (tonnes)	14 032	13 975	12 251

Methodology
Waste data refers to materials generated from internal operations that are either collected for on-site or off-site reuse, recycling, or recovery (diverted from disposal), or waste sent for incineration, landfill, or other disposal methods (directed to disposal). Waste is classified as hazardous or non-hazardous in line with ESRS' categorization. The data is reported by local entities and consolidated at Group level. It covers a 12-month period and is presented in tonnes. The data is based on direct measurement, typically reported by the waste management company after collection.

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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. We have continuously taken steps to strengthen our due diligence processes relating to human rights (see 'Meeting the minimum safeguards' below), viewing the EU taxonomy requirements as overlapping with those of the EU Corporate Sustainability Due Diligence Directive (CSDDD). For this reason, our approach has been conservative and we have reported 0% alignment on all three KPIs since the introduction of the EU taxonomy. Following the omnibus simplification package of 2025 we have chosen to await the outcome of the ongoing EU review of all taxonomy requirements before reconsidering our taxonomy approach. Consequently we continue to report 0% alignment on all three KPIs. Owing to this, no detailed review of the other criteria is shared at this stage. For the CapEx KPI we are utilizing the opportunity to omit economic activities that account for less than 10% of total CapEx (find details under 'CapEx' below).

For the financial year 2025, 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 EU 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 2025 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. onsite 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 are considered eligible if electric with high efficiency. As a whole, a majority of the business area's products and solutions are deemed eligible.

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EU taxonomy regulation disclosures, continued

The revenue denominator used for the EU taxonomy KPI calculation includes 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. It was re-certified in 2024 and continues to qualify as EU taxonomy compliant.

Result

Revenue eligibility is 67% (64).

CapEx KPI

The CapEx numerator used for the EU taxonomy consists of R&D and our own hire fleet. Following the introduction of a 10% materiality threshold the majority of our previously reported economic activities have been omitted as most of them amount to less than 1% of total CapEx. These activities relate to installations of charging stations, energy efficiency equipment, renewable technologies, or energy performance measuring devices, as well as our company car fleet (CCM 7.4, CCM 7.3, CCM 7.6, CCM 7.5 and CCM 6.5).

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 112.

Result

CapEx eligibility is 13% (22). 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 impacts the KPI result.

OpEx KPI

The OpEx numerator only includes expenditure that is material to the company business model, i.e. 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. The data is reported by local entities and consolidated at Group level.

Result

OpEx eligibility is 37% (34).

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 was deemed difficult to assess compliance with the pollution prevention criteria. During 2025, the EU has addressed this complexity by introducing revised requirements for pollution prevention which we welcome.

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.

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. During 2025, we have further strengthened our processes relating to due diligence in the value chain. Read more on page 71.

Concluding comments

A similar revenue eligibility is reported in 2025 as previous years. Focus has been on strengthening processes relating to the minimum safeguards in particular.

In principle, our company policies and procedures correspond with the EU taxonomy requirements, however, we have chosen to maintain our conservative approach and await the ongoing EU review of all taxonomy requirements before reconsidering our approach. We therefore report 0% alignment on all three KPIs.

We monitor the developments around the EU taxonomy closely. As reporting practice and guidelines develop, we may reevaluate our current approach. 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.

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Summary 2025

KPI	Total (MSEK)	Proportion of taxonomy-eligible activities	Taxonomy-aligned activities (MSEK)	Proportion of taxonomy-aligned activities	Breakdown by environmental objectives of taxonomy-aligned activities: Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities (considered non-material)	Taxonomy-aligned activities in previous financial year (MSEK)	Proportion of taxonomy-aligned activities in previous financial year
Revenue [1]	168 343	67%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00	0%
CapEx [2]	19 421	13%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	3.5%	0.00	0%
OpEx	7 602	37%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00	0%

Revenue KPI, 2025

Economic activities	Code	Taxonomy-eligible KPI	Taxonomy-aligned KPI (MSEK)	Taxonomy-aligned KPI	Environmental objectives of taxonomy-aligned activities: Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of taxonomy-aligned in taxonomy-eligible
Manufacture of other low-carbon technologies	CCM 3.6	67%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total Revenue KPI	CCM 3.6	67%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

[1] See page 117
[2] See page 117, the Total CapEx difference is explained in 'CapEx KPI' above

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CapEx KPI, 2025

					Environmental objectives of taxonomy-aligned activities								
Economic activities	Code	Taxonomy-eligible KPI	Taxonomy-aligned KPI (MSEK)	Taxonomy-aligned KPI	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of taxonomy-aligned in taxonomy-eligible
Manufacture of other low-carbon technologies	CCM 3.6	13%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total CapEx KPI	CCM 3.6	13%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

OpEx KPI, 2025

					Environmental objectives of taxonomy-aligned activities								
Economic activities	Code	Taxonomy-eligible KPI	Taxonomy-aligned KPI (MSEK)	Taxonomy-aligned KPI	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of taxonomy-aligned in taxonomy-eligible
Manufacture of other low-carbon technologies	CCM 3.6	37%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total OpEx KPI	CCM 3.6	37%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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As a global provider of industrial technologies and solutions, 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

SBM-3 Impacts, risks, and opportunities

To secure the execution of Atlas Copco Group's strategy, we rely on competent people who are passionate about their work and committed to creating customer value. Our priority is therefore to attract, retain and develop a diverse workforce with the right mindset and capabilities, and empowering them to grow in an environment characterized by freedom and accountability. We believe that diversity and inclusion have a positive impact on our workforce, driving employee engagement, fostering innovation, and supporting better decision-making. In parallel, we actively address occupational health and safety risks and remain committed to maintaining a safe and sound working environment across our operations.

At year end 2025, the Atlas Copco Group workforce consisted of more than 57 000 employees and 3 000 additional workforce, located in 73 countries. The additional workforce includes both self-employed individuals and employees in third-party companies working for Atlas Copco Group. Through our materiality assessment, we have identified workforce-related impacts, risks and opportunities, related to training and skills development, diversity and equal treatment, occupational health and safety, and working conditions, as described throughout this chapter.

All our employees and additional workforce are potentially subject to the identified workforce-related impacts, risks and opportunities and are included in the scope of our disclosure. Certain groups, such as employees in production and service technician roles, are more exposed to physical health and safety risks. We sometimes also see impact on our people-related KPIs from the integration of newly acquired companies. These risks are not considered systemic across the Group but are linked to specific work environments or regional conditions. Positive impacts, such as access to training and development opportunities, are Group-wide.

S1-1 Policies related to our own workforce

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 41 for further information on the scope and implementation of the Code of Conduct and SHEQ policy.

In addition to the Code of Conduct and SHEQ policy, there are a number of Group-wide policies and guidelines to support our work, as described throughout this chapter.

All Group policies are regularly reviewed by the responsible functions to ensure they remain current and effective. Implementation is the responsibility of the divisions. The policies are accessible to all employees via our management system, *The Way We Do Things*. For policies related to workers in the value chain, see the corresponding chapter on page 71.

S1-2 Engaging with own workforce and employee representatives

We value the opinions of our employees and are committed to fostering an inclusive environment where everyone can feel a sense of purpose and belonging, and are motivated to contribute to the Group's success. We engage with employees regularly and continuously through both formal and informal channels, as outlined below. Insights from this engagement inform the identification and assessment of salient human rights impacts. It is also a valued input to the Group's double materiality assessment and target-setting process. In this process, employees were indirectly represented through members of internal councils, including HR and SHEQ functions, who participated in workshops that reviewed existing targets to assess strengths and areas for improvement.

Ongoing feedback and coaching

Our leaders are responsible for developing their teams through continuous feedback and coaching. The Group's performance and development dialogue process is designed to improve both the quality and frequency of feedback. It includes setting clear perfor-

Social	Target	2025	2024	2023	Comment
Increase share of women employees [1]	30% by 2030	22.7%	22.6%	22.2%	
Increase share of women in leadership positions [1]	25% in 2030	21.8%	21.4%	20.9%	
Employees agree that they feel a sense of belonging in the company [2]	Above global benchmark and continuous increase.	76		77	Benchmark: 73
Employees agree we have a work culture of respect, fairness and openness [2]		77		76	Benchmark: 76
Employees agree there is opportunity to learn and grow in the company [2]		73		75	Benchmark: 72

[1] Data reported by entities and consolidated on Group level. The target is measured at year end in FTE. As of 2025, the US is excluded from the target, and the figures for 2023 and 2024 have been restated for comparability.

[2] The KPI is measured every two years. Scores are 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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mance and development goals at the beginning of each year, and a follow-up evaluation by managers at year end. To ensure timely and constructive feedback, managers are also encouraged to hold regular check-ins with employees throughout the year.

Regular engagement surveys

Every two years, we measure employee engagement, motivation, and well-being through Insight, the Group's global engagement survey. The survey, which is managed by the Group HR function, provides valuable insights into key areas such as employee engagement, Group culture, safety and leadership, and diversity and inclusion. See the targets and results from the 2025 engagement survey in the tables on page 61 and 67.

To ensure the results of the survey lead to meaningful improvements, they are followed up at every level of the organization. At Group level, aggregated results are used to identify broader trends and inform strategic initiatives across the Group. At operational level, managers lead follow-up workshops with their teams to discuss the results and develop concrete actions to address identified weaknesses and strengthen our culture and processes.

In addition to the Group global engagement survey, local engagement or pulse surveys may be used to address specific issues or local matters. To gather additional feedback at key stages during an individual's employment, this is complemented by global onboarding, internal mobility, and offboarding surveys.

Engaging with 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 elected employee representatives, who ensure that our employees are being heard and that their perspectives are considered in decisions.

As a decentralized organization, the Group's engagement and dialogue with labor unions takes place locally. In EU countries, the cooperation is strengthened through European Work Councils, allowing union representatives to discuss focus areas and interact directly with Group Management through meetings once a year. We are also a member of the International Council of Swedish Industry (NIR) and participate in the Swedish Workplace Programme (SWP), which uses social dialogue to improve and strengthen relationships between management and employees.

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.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Establishing processes and channels for employees to raise 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 to their manager, their manager's manager, or human resources representatives. The Group's global whistleblowing system, SpeakUp, is available for reporters who wish to remain anonymous. Read more about SpeakUp and whistleblowing on page 75 in our Governance section. See page 66 for the number of reported incidents.

Insight 2025: engagement remains strong

In 2025, Atlas Copco Group carried out its biennial global employee engagement survey, Insight. While the overall scores showed a slight decline compared to previous years, this reflects a broader global trend—our survey provider reported an average 2% drop in engagement levels worldwide. Despite this decrease, we are encouraged that our KPI scores remain above global benchmarks.

In the 2025 survey, three priorities were identified from a Group perspective. The first is to further strengthen innovation and collaboration across the organization. The second is to maintain a strong customer focus, continuing to keep pace with evolving customer trends and expectations. The third priority is to reinforce the Group's mindset that *There is always a better way*, by more clearly communicating the actions taken as a result of survey feedback. Through our ongoing survey workshop process, we remain confident in our ability to implement targeted actions that will drive meaningful improvements.

The high level of engagement was reflected by the 57 000 comments received, with 34% of employees contributing at least one comment. The response rate of 90% also exceeded the global benchmark.



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Training and skills development

S1-1 ***Our approach and policies***

Atlas Copco Group's success relies on our ability to attract and develop individuals with a commitment to lifelong learning and a growth mindset. Without sufficient training and access to development opportunities, employees are less equipped to perform effectively. Therefore, we foster a strong learning culture and actively encourage our employees to take ownership of their own professional development, while striving to ensure equal access to training and growth opportunities.

Promoting both internal and international mobility is a key part of our approach. Our Global Mobility Policies outline the terms and conditions for cross-border employee transfers, while our Internal Job Market Policy sets out the principles and guidelines that ensure a transparent and fair market for recruitment across the Group.

S1-4 ***Actions and resources***

We support our employees by offering a variety of opportunities and tools for continuous development. The importance of learning from colleagues is also emphasized, and we promote internal mobility through the Group's internal job market, which is accessible to all employees.

Leadership development – We define leadership as the ability to create lasting results through people, and we strive to develop leaders who can coach and empower teams and individuals to reach their full potential. Our leaders play a key role in capturing opportunities, driving innovation, and enhancing our positive impact across the organization. To support our leaders, the Group Leadership Portfolio offers personalized learning through a combination of virtual and face-to-face modules. In 2025, new modules were introduced, covering topics such as digital transformation, human centric leadership and effective change leadership.

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 24 000 LinkedIn courses in 46 languages, covering everything from automation and artificial intelligence to business or creative topics.

Internal Job Market – The Internal job market is a global platform for internal recruitment within the Atlas Copco Group, available to all employees. Built on the belief that employees are in charge of their own professional development, the job market promotes internal mobility and provides a transparent and fair market for recruitment within the Group. All open positions and vacancies are posted here.

Talent acquisition – In 2025, we reviewed and updated the Group's employer branding strategy, including the employee value proposition (EVP). A clear and consistent employer brand supports talent attraction and retention, and contributes to employee engagement. A unified employer brand also helps reinforce the Group's values, mission, and culture and provides a consistent description of what it means to work at the Group. Over time, this supports the Group's competitiveness in the labor market and contributes to a sense of belonging among our employees globally.

Actions related to our own workforce are embedded in the overall strategy of our divisions, and therefore the costs cannot be separately identified.

Never Stop Learning Festival – a part of our learning culture

The Group's annual *Never Stop Learning Festival* is a week dedicated to continuous learning, encouraging employees to take ownership of their development and explore their full potential. Launched in 2021 as a Group-wide learning week, it has evolved into a broader festival with lunch sessions, online activities, webinars, and panel discussions. While learning is part of our daily work, the festival provides an opportunity to step away from routine and focus on building new skills.

S1-5 ***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 increase over time. This is measured every two years, see table on page 61. The result remains above the global benchmark, however, after surveys showing continuous improvement since 2019, the 2025 survey indicated a decline compared with 2023. For information on how we address the survey findings, see page 62.



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Employees with a yearly performance and development discussion, %	2025	2024
Female	89	85
Male	87	84
Other	78	83
Not disclosed	50	50
Total	**87**	**84**

Number of employees, at year end, in headcount, who have had an individual performance and development discussion during the past year. Introduction and follow-up meetings are included for new employees in their first year. Exit interviews and termination discussions are included for employees that are still employed at year end.

Average training hours per employee	2025	2024
Female	42.5	42.2
Male	43.8	45.2
Other	26.4	48.8
Not disclosed	26.9	4.6
Total	**43.5**	**44.5**

The sum of registered individual training hours during a 12-month period, presented as average hours per employee (headcount) by gender. For 2024, the year-end headcount is used for the calculation, due to data availability. For 2025, average headcount during the year is used for the calculation. Training hours are recorded in the Group's Learning Link platform and reflect time spent, during working hours, on internal or external learning activities that enhance skills and performance.

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.



Strengthening post-merger integration capabilities

In 2025, we launched the Excellence in Post-Merger Integration Program to strengthen our ability to lead successful acquisitions across the Atlas Copco Group. While acquisitions remain key to our growth strategy, effective integration is essential to realizing their full potential, from both a business and people perspective. The program equips current and future integration managers with tools, frameworks, and leadership skills, with a strong focus on embedding our culture and *"The Way We Do Things"* from the start. The promotion of several participants to integration manager roles underscores the program's effectiveness and relevance.

> **We support our employees with a variety of opportunities and tools for continuous development.**

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

Diversity and equal treatment

S1-1 *Our approach and policies*

With more than 57 000 employees at year-end (headcount), representing around 140 nationalities, we are committed to fostering an inclusive work environment where everyone is treated with respect, feels seen and heard, and has the opportunity to realize their full professional potential. We operate in regions where workplace discrimination and inequity remain a challenge. Without preventive efforts, we risk exposing employees to bias in areas such as recruitment, development, and advancement. That is why we continue to invest in inclusive practices, leadership accountability, and cultural awareness, to promote fairness and belonging across our global workforce.

The Group's Diversity and Inclusion (D&I) framework 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/gender identity, age, nationality, disability, sexual orientation or political opinion. The Group companies establish local diversity guidelines that are aligned with the Group's policies, local laws and regulations, and local conditions. Anti-harassment and non-discrimination issues are addressed in the Group's mandatory ethics training.

S1-4 *Actions and resources*

The Group has established a Diversity & Inclusion Council, chaired by the President and CEO, and with representatives from all business areas, as well as Group functions, including communications, human resources, and accounting and controlling. The council meets regularly to follow up on action plans and results across the organization. The work is mainly driven by business area task forces and D&I ambassadors within operational entities.

Key actions to promote equal treatment and opportunities for all, in line with the objectives of the Diversity & Inclusion framework are outlined below:

Strengthened D&I governance – In 2025, all four business areas have in place targeted Diversity and Inclusion plans aligned with our Group D&I framework. Guided by the Group D&I Council, these plans enable a globally aligned approach to inclusion, while allowing each business area to tailor initiatives to their specific regional and operational contexts. Each business area has now established clear governance structures to support their D&I efforts, and all have appointed D&I resources – marking a significant step forward in building internal capability and accelerating progress.

Inclusive leadership development – Previously launched trainings and learning packages have been complemented by introducing psychological safety and human-centered leadership training, supporting the development of more inclusive teams.

Bias-free talent processes – Recruitment, development, and succession practices have been updated to promote fair and equal opportunities for all employees.

Advancing digital accessibility – Efforts are underway to ensure that everyone, regardless of physical or cognitive abilities, can access and use our digital platforms by removing barriers and building internal awareness and competence.

To measure the effectiveness of the actions, we track the outcomes of the Group's biennial employee survey, Insight, and the progress in relation to our diversity targets.

S1-5 *Diversity targets and metrics*

Improving gender balance is a key priority in advancing employee diversity. We address this by working toward our targets of 30% women employees, and 25% women in leadership positions in the Group by 2030, with the US excluded from 2025 onwards. In 2025, progress was made towards a better gender balance, reaching 22.7% (22.6) women employees and 21.8% (21.4) women in leadership positions by year end.

We have also adopted two group-wide targets with the ambition that the share of employees who feel a sense of belonging within the company, as well as those who agree that we have a work culture characterized by respect, fairness and openness, remains above the international benchmark and increases over time. This is measured every two years, see table on page 61.

The score related to respect, fairness and openness has continued to improve and remains above the global benchmark. The score related to employees' sense of belonging also remains above the global benchmark, however, after showing continuous improvement since 2019, the 2025 survey indicated a slight decline. For information on how we address the survey findings, see page 62.

Since 2023, the Group's employee survey, Insight, has included a Diversity & Inclusion Index with six key inclusion indicators that are measured and reported.

See *Workforce characteristics* on page 69 for additional information.

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S1-16 *Remuneration metrics*

Atlas Copco Group's commitment to providing equal opportunities for all our employees includes ensuring equal pay for work of equal value. As stated in our Code of Conduct and our 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 that drive performance.

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 assessment.

Remuneration metrics	2025	2024	2023
Gender pay gap, %	9	–	–
Total remuneration ratio	54	–	–

The global unadjusted gender pay gap is calculated using contractual base and variable pay, expressed as an hourly rate. Data for this metric was extracted from the HR system on November 30, 2025, and the currency rates applicable on the extraction date were used in the calculation. This is our first year of reporting, and we aim to continuously improve the quality of the data. It is important to distinguish the global unadjusted gender pay gap from equal pay. The metric does not consider factors that may influence compensation, such as job role, position weight, performance, experience, country, or other objective factors.

The total remuneration ratio represents the ratio of the President and CEO's annual total remuneration to the median annual total remuneration of other employees. The President and CEO's total remuneration is detailed in the 2025 annual remuneration report. The median annual total remuneration was calculated using a two-step process: first, base salaries were extracted from the HR system on November 30, 2025, to identify the median employee; second, the total remuneration for that employee was provided by the local company and converted using the applicable currency rate on November 30, 2025.

S1-17 *Incidents of discrimination and working conditions complaints*

Incidents of discrimination and working conditions complaints	2025
Number of substantiated work-related discrimination incidents reported through the Group's whistleblower system Speakup	7
Number of working-conditions complaints reported through SpeakUp	13
National Contact Point reports	0
Fines, penalties and compensation for damages relating to discrimination incidents and working-conditions complaints [1]	0

[1] Includes fines, penalties, and compensation for damages imposed on any Atlas Copco Group company, as finally determined by a court or other competent authority during 2025, resulting from any discrimination incidents or working conditions complaints listed in the table.

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Occupational health and safety

S1-4 *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.

Most prevalent health and safety risks

Our employees encounter various risks in their daily work. While our operations are carried out in strictly controlled environments and many tasks are automated, manual procedures remain and can pose health and safety risks. Additional risks may arise during internal travel, visits to customers or business partners, and when performing service or maintenance on equipment at customer sites. Employees may also face psychosocial risks, such as those related to workload or challenges in maintaining work-life balance.

S1-4 *Actions and resources*

We address and manage the risks related to occupational health and safety through a range of actions and directed resources, while also reinforcing a culture of awareness, as described below.

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 41 for the percentage of employees covered by a health and safety management system.

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 behaviors that could lead to actual incidents. The insights also provide a strong foundation for developing an effective preventive work.

Employee well-being framework – 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.

Safety, health and well-being day – Since 2015, Atlas Copco Group has held an annual Safety, Health and Well-being Day across all operations. The objective is to highlight the importance of workplace safety and to reinforce our safety and health culture by encouraging open dialogue about current working conditions and how they can be improved – for both employees and customers using Atlas Copco Group products. Each entity determines the scope and focus of their activities based on local needs and priorities.

Social	Target	2025	2024	2023	Comment
Employees agree that the company takes a genuine interest in their well-being [1]	Biennially	71	–	74	Continuous increase
Decrease number of recordable injuries per million working hours [2]	Annually	4.2	4.0	4.5	Continuous decrease

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

[2] See more about the calculation methodology on page 68.



Safety and Health Award

Atlas Copco Group's Safety and Health Award was established in 2012 to honor outstanding performance and inspire operational entities within the Group to improve the safety and health for employees and other stakeholders. In 2025, the award was presented to the 'SHE starts with Me' program, for emphasizing the personal responsibility involved in workplace safety and for significantly reducing the number of recordable injuries. The program includes many training and communication packages, each delivered to employees in their local language. It was developed for the Service Technology Centers in the Vacuum Technique business area's Semiconductor Service division (VSS).

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S1-5 *Health and safety targets and metrics*

Key performance indicators for safety and well-being are continuously monitored by local management and reviewed by Group Management, as well as by divisional and business area management, in connection with the quarterly reporting of sustainability data. Our primary safety-related target is to continuously reduce the number of recordable injuries relative to working hours, see table to the right.

In 2025, we regrettably experienced two work-related fatalities: one in a traffic-related accident and one during installation work at a customer site. Each incident is subject to a thorough investigation to clarify the circumstances and determine whether additional preventive actions are needed. Where relevant, insights are used to further strengthen safety measures and reinforce our safety culture. Road safety continues to be a key focus area in our sales and service organizations.

Progress is also monitored every two years through the global employee engagement survey, where the target is for the share of employees who agree that the Group takes a genuine interest in their well-being to increase continuously. After surveys showing a continuous improvement since 2019, the 2025 survey showed a decline, see page 67. For information on how we address findings from the survey, see page 62.

We also monitor our performance using a safety pyramid, with the ambition of keeping the pyramid in balance. This means we aim to have more reports of risk observations than near misses, more near-miss reports than minor injuries, and an equal or greater number of minor injury reports relative to recordable injuries. By identifying and reporting risk observations and incidents, we support and promote proactive management of safety risks.

Work-related health and safety	Per million working hours			Number		
	2025	2024	2023	2025	2024	2023
Work-related fatalities						
Fatalities (work-related injuries)	0	0	0	2	0	0
Work-related injuries						
Total high-consequence injuries, total workforce	0.0	0.0	0.0	4	5	4
High-consequence injuries (employees)	0.0	0.0	0.0	4	5	4
High-consequence injuries (additional workforce)	0.0	0.0	0.0	0	0	0
Total recordable injuries, total workforce	4.2	4.0	4.5	469	442	469
Recordable injuries (employees)	4.1	4.0	4.4	434	421	429
Recordable injuries (additional workforce)	6.0	3.5	6.1	35	21	40
Total minor injuries, total workforce	12.4	12.3	14.1	1 390	1 351	1 479
Lost days [1]						
Lost days due to recordable injuries, employees	–	–	–	5 990	6 176	–

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

Sick-leave, employees (%)	2025	2024	2023
Sick-leave due to diseases and recordable injuries	2.4	2.3	2.3

Methodology
Data is reported at the local entity level and consolidated at Group level, covering a 12-month reporting period. It is presented in absolute numbers and, where applicable, per million work hours. The number of working hours is estimated using an assumption of eight hours per day and 20 working days per month, based on the monthly average number of FTEs. No additional estimates or assumptions have been applied for the number of working hours. Work-related fatalities are reported separately from work-related injuries.

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SBM-3 S1-8 *Freedom of association and collective bargaining*

We operate in countries where unionization and collective bargaining are restricted, suppressed, or not guaranteed. Without appropriate policies and processes in place, this could negatively impact our employees.

Labor practices and employee rights, such as collective bargaining, are covered by the Group's Code of Conduct. In 2025, 29% (29) of our employees 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 (headcount), at year end, %	2025	2024
Employees covered by collective bargaining agreement	29	29
Employees covered by workers' representatives	32	33

Collective bargaining and social dialogue per geography (headcount), at year end [1]

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees, EEA	Employees, Non EEA	Workplace representation EEA
0–19%		North America, Asia/Oceania	
20–39%	Germany		
40–59%			
60–79%			
80–100%			Germany

[1] Only EEA countries and non-EEA regions representing more than 10% of the Group's total employee headcount are presented.

In the event of operational changes that may significantly impact employees or lead to redundancies, the Group complies with local laws, regulations and collective bargaining agreements. The need for transition assistance is assessed locally and the support provided through such programs is adapted to the specific circumstances and local market conditions. The Group's internal job market, accessible to all employees, also supports internal mobility and new opportunities within the Group.

S1-10 *Adequate wages*

As stated in our Code of Conduct, our employees' performance should be fairly rewarded. Legislative minimum wages should always be regarded as a minimum threshold, not a recommended level, and internal audits are conducted to ensure compliance. We are planning to conduct an analysis of adequate wages and are taking steps to secure access to internal compensation data to enable this work.

Within the Group, total rewards consist of both monetary and non-monetary components. According to our total rewards philosophy, compensation and related practices and processes must follow local legislation and be guided by the following principles: they should be performance-based, attractive, transparent, differentiated, and inclusive. Salaries are reviewed annually through the Group's salary review process. Variable compensation is based on objective and measurable targets that reflect both Group and individual performance. To support financial security after retirement, we offer pension solutions tailored to local requirements and regulations.

S1-6 Workforce characteristics

Geographical spread and nationality

Geographical spread of employees at year end (FTE), %	2025	2024
North America	15	15
South America	5	5
Europe	43	44
Africa/Middle East	3	3
Asia/Oceania	34	33
Total	**100**	**100**

Number of employees by country (headcount), at year end [1]	2025	2024
China	7 984	7 577
Usa	7 346	7 237
Germany	5 953	6 217

[1] Only countries representing at least 10% of the Group's total employee headcount are presented.

Geographical spread of nationality of senior managers at year end (FTE), %	2025	2024
North America	9	10
South America	6	5
Europe	67	67
Africa/Middle East	3	3
Asia/Oceania	15	15
Total	**100**	**100**

The Group has managers on international assignments coming from 42 countries and working in 44. In 2025, a total of 78% (77) of all senior managers were locally employed. 45 (43) nationalities were represented among the most senior managers in the Group.

Geographical spread of additional workforce at year end (FTE), %	2025	2024
North America	13	15
South America	1	1
Europe	40	42
Africa/Middle East	1	1
Asia/Oceania	45	41
Total	**100**	**100**

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Professional categories

Employees by professional category at year end (FTE), %	2025	2024
Production	25	25
Marketing	8	8
Sales and support	13	13
Service	28	28
Administration	16	16
Research & development	10	10
Total	**100**	**100**

Additional workforce by professional category, at year end (FTE), %	2025	2024
Production	41	37
Marketing	3	3
Service	15	18
Administration	19	18
Research & development	22	24
Total	**100**	**100**

Employees by contract type

Number of employees by contract type and gender (headcount), at year end	Female	Male	Other	Not disclosed	Total
Number of permanent employees	12 808	43 537	9	2	**56 356**
Number of temporary employees	168	500	0	0	**668**

New employee hires and employee turnover

Recruitment (FTE)	2025	2024
Total number of external recruitments	5 382	6 940
External recruitments of employees, %	10	13
External recruitments of female employees, %	27	26

Turnover (headcount)	2025	2024
Total number of employees that have left the company	6 175	6 453
Total turnover, %	11	12
Voluntary leave, %	5	6

The total turnover data (headcount) includes all employees who left the company, while voluntary leave includes employees who left voluntarily, excluding retirements. Headcount per year end has been used for the calculations. For 2024, the data points total turnover (%) and voluntary leave (%) use headcount per year end as the denominator due to data availability. For 2025, the denominator for these two data points is based on average headcount during the year.

Methodology
Employee data is reported by local entities, based on the assumption that employees work in the country of the reporting unit. The number of employees by gender, country and contract type is presented as headcount per year-end. The FTE (full-time equivalent) methodology applied defines one FTE as the normal full working hours in the local unit. Overtime hours are not considered as additional FTE. The FTE calculation is based on the contractual terms in place at the end of the period.

Characteristics of non-employees

Non-employees in own workforce (headcount), at year end	2025	2024
Additional workforce	3 142	3 080

S1-9 *Diversity metrics*

Senior management [1] by gender (headcount), at year end	2025		2024	
	Number	%	Number	%
Female	106	17	88	15
Male	514	83	506	85
Other	0	0	0	0
Not disclosed	0	0	0	0
Total	**620**	**100**	**594**	**100**

[1] Senior management refers to employees at the level of general manager and above.

Employees by age group, FTE, at year end (%) [1]	2025	2024	2023
<30 years	20	21	21
30–50 years	61	60	60
>50	19	19	19

[1] Based on employees in countries allowing age disclosure. Age is not disclosed for 12% of employees.

Number of employees by gender (headcount), at year end	2025	2024
Male	44 030	43 035
Female	12 983	12 726
Other	9	12
Not disclosed	2	2
Total	**57 024**	**55 775**

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WORKERS IN THE VALUE CHAIN

SBM-3 Impacts, risks, and opportunities

A large part of the Group's manufacturing is outsourced, and we rely on a global network of distributors to reach local markets. With several thousand significant suppliers and distributors worldwide, Atlas Copco Group has an indirect impact, affecting workers at our business partners. By endorsing internationally recognized frameworks on business and human rights, we promote and support positive working conditions throughout our value chain.

Some of our business partners operate in countries with an elevated risk of workers' rights violations, including exposure to forced labor, child labor and human trafficking. Such risks are particularly relevant in the sourcing of materials and components containing so-called conflict minerals, where such concerns are well-documented. By setting high standards for our business partners, we actively work to uphold labor and human rights and reduce the likelihood of violations across our value chain.

For information about customer-related impacts, risks and opportunities, and how we manage these, see the section *Safety of end users* on page 73.

S2-1 Policies related to value chain workers

We are committed to upholding ethical conduct in all business interactions and expect all our business partners to follow our Code of Conduct, which is aligned with international human and labor rights 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.

All significant business partners, especially those operating in risk countries, are required to commit to the Code of Conduct by signing our Business Partner Criteria document. Together, these documents outline our expectations regarding human rights and working conditions. This includes providing a safe and healthy work environment free from discrimination, with full respect for freedom of association, and a zero tolerance of modern slavery, forced labor, and child labor. If business partners engage subcontractors in the production of Atlas Copco Group products or services, they are responsible for applying the same principles when evaluating and selecting those subcontractors.

The Code of Conduct is supported by the Group's Human Rights Statement, last updated in 2024, which expands on our commitment to respect and promote human rights. The statement reflects our corporate responsibility as outlined in the UN Guiding Principles on Business and Human Rights.

S2-2 Engagement with value chain workers

We build and maintain close relationships with our business partners, actively promoting human and labor rights through the signing and follow-up of our Business Partner Criteria. We also gain insight into business partners' operations and working conditions through site visits and during the onboarding of new business partners. All Group employees participate in leader-led training on the Code of Conduct, which includes human and labor rights topics. The training equips them to better navigate and address challenging situations they may encounter. Local entities are responsible for the operational management of supplier relationships, while the divisions hold overall responsibility.

We engage directly with strategic significant suppliers and invite high-risk suppliers to undergo desktop audits by a third party to verify responsible business conduct. Using a risk-based approach, such follow-up typically focuses on markets where the likelihood of adverse impacts is higher and workers may be more exposed or vulnerable.

For distributors, the divisions define overarching management strategies, while actual engagement is carried out through our customer centers.

S2-3 *Processes for remediation and channels to raise concerns*

We take concerns regarding the treatment of workers in our value chain seriously and are committed to addressing and remediating negative impacts, identified either through audits or other means. If potential adverse impacts on workers are identified, the responsible sourcing unit collaborates with the business partner through conditional action plans and monitors the implementation and effectiveness of remedial measures.

Our whistleblowing system, SpeakUp, is accessible via our Group website to anyone who wishes to raise a concern relating to our operations, including workers in the value chain. The system is operated by an independent third party and ensures full anonymity for reporters. Each case is handled and followed up by impartial internal investigators, and where applicable we work closely with our business partners to address and remediate any verified allegations of misconduct. One way to assess the effectiveness of our system is by reviewing where in the value chain concerns are raised. Read more in the Governance section on page 75.

S2-4 Actions and resources

Atlas Copco Group is committed to identifying, preventing and mitigating risks related to adverse human rights impacts and poor working conditions, both within our own operations and across our value chain. By signing our Business Partner Criteria document, significant business partners confirm that their practices align with our standards and internationally recognized frameworks. Significant business partners are identified based on their geographic location combined with spend thresholds. The process is supported by externally provided country risk scores from an environmental, social and governance perspective.

Since 2024, information about our significant direct material suppliers has been uploaded to an external platform that enables further assessment of their sustainability performance and the extent to which their business practices align with our Code of Conduct. The platform offers additional risk mapping that considers both country and industry risk. Strategic significant suppliers are invited and encouraged to undergo a third-party desktop audit. Where needed, corrective actions are agreed upon together with the supplier, after which they are re-assessed. Should a business partner fail to meet our standards or demonstrate necessary improvements, we may ultimately terminate the relationship.

For suppliers who are not willing to undergo a desktop audit, we provide our local entities with an onsite audit template based on recommendations from the UN Global Compact. The template includes questions aimed at identifying risks related to human rights and labor rights.

As of 2024, a dedicated responsible sourcing workstream with representatives from all business areas has been established to strengthen processes related to supplier due diligence. The business areas closely monitor supplier engagement and track supplier performance. This information is visualized in dashboards as well as included in regular reports to the purchasing organization.

Significant distributors are also required to sign our Business Partner Criteria document. For distributors in risk markets, this

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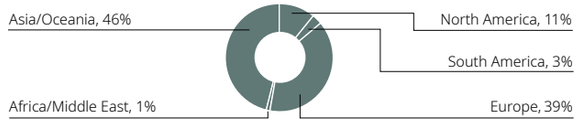
requirement applies regardless of turnover. Interaction with significant distributors is typically frequent, often involving several interactions each year.

In 2025, we launched a new project, in collaboration with representatives from our business areas, to develop a due diligence process for the continuous evaluation of distributors from an environmental, social and governance (ESG) perspective and to verify their compliance with the Code of Conduct.

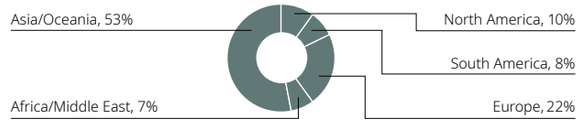
Group Internal Audit supports the monitoring of our business-partner management processes by following up on key aspects of the local entities' responsibilities, such as the signing of the Business Partner Criteria document and the implementation of supplier audits. In 2025, we adapted our internal audit questionnaires to strengthen the follow-up of Group process implementation.

During 2025, no instances of severe human rights issues or incidents connected to the Group's value chain were reported through the Group's whistleblower system, SpeakUp.

Geographical distribution of suppliers



Geographical distribution of distributors



Responsible sourcing of minerals

To uphold the Group's commitment to responsible sourcing, we have implemented a comprehensive program to detect and prevent the use of conflict minerals in our supply chain.

We are not in the scope of the Dodd-Frank Act or the EU Conflict Minerals 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. Our responsible minerals program covers tin, tantalum, tungsten, gold, and cobalt, and includes regular data collection and due diligence, following the guidelines and reporting templates of the Responsible Minerals Initiative (RMI).

We require direct suppliers to commit to the responsible sourcing of all minerals used in the parts and products they supply to us. In addition, all significant suppliers are required to sign our Business Partner Criteria document, which includes a specific article on responsible sourcing of minerals. More details about the process are available on our website, www.atlascopcogroup.com.

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 at the request of stakeholders.

S2-5 Targets and metrics

Our target is that 100% of significant business partners commit to our Code of Conduct, by signing our Business Partner Criteria document. This applies to both suppliers and distributors. Their commitment needs to be reconfirmed at least once every five years.

At the end of 2025, 94% (91) of our significant suppliers and 95% (94) of our significant distributors had signed the compliance statement. We also annually measure and follow up on the number of suppliers audited on social or environmental issues, including those that are approved, conditionally approved, or rejected, see table below.

From 2025 onwards, as part of our updated sustainability targets, we also measure and report the share of strategic significant material suppliers engaged in the assessment on environmental, social and governance aspects. The ambition level was set to achieve 50% by 2027.

These targets and metrics support our policy commitment to ensure that value chain workers are protected through responsible business partner practices. While value chain workers were not directly involved in setting these targets, input from the Group Purchasing Council, as a proxy for supplier perspectives, was considered in the process.

Audits of significant suppliers, %	2025	2024	2023
Suppliers audited on safety, health, and environmental aspects [1]	12	15	14
Approved suppliers (no follow-up needed)	95	92	87
Conditionally approved suppliers (monitored)	5	8	13
Rejected suppliers (relationship discontinued) [2]	0	0	0

[1] Audits are conducted by local entity representatives at the supplier's site. Complementary to quality audits, some audits focus specifically on safety, health, and environmental aspects.

[2] Reasons for rejection may relate to workplace safety, labor conditions, environmental issues, or non-compliance with laws. Suppliers are rejected if they fail to meet the Group's requirements and are not willing to make the necessary improvements.

Definitions

Significant business partners are identified by local entities based on country and 12-month spend values from October of the previous year to September of the current year, in relation to set thresholds. The threshold is lower in countries with heightened risks related to human rights violations, environmental impacts, or corruption. Entities report in Q3 and Q4, and the data is consolidated at Group level.

Significant supplier: All external (both direct and indirect) suppliers of goods and services to production and distribution units, with a purchasing value above a set threshold. In high-risk countries the threshold is approximately 13% of set value.

Strategic significant supplier: All external significant direct material suppliers to production and distribution units, with a purchasing value above a set threshold (higher than for significant suppliers). In high-risk markets the threshold is approximately 20% of set value.

Significant distributor: All external distributors, including agents and resellers, with sales of goods and services above a set threshold. For distributors in high-risk countries, all distributors are in scope.

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CONSUMERS AND END USERS

SBM-3 Impacts, risks, and opportunities

We provide a broad range of technologies, products and services used across a great variety of industries and applications around the world. Our customers rely on us to deliver solutions that improve the efficiency and productivity of their operations, while being safe and ergonomic to handle. Customer satisfaction and value creation are central to our business strategy, and only by meeting the requirements of safety and ergonomics can we build the value of our brand and business, and mitigate legal and regulatory risks. Working systematically to ensure product safety is therefore a key focus in our product development process and throughout our operations, and essential for maintaining long-term customer relationships.

Our end users include workers at our customers who operate our technologies, products and services in manufacturing and other applications. As such, we contribute to our end users' working conditions related to health, safety and ergonomics.

S4-1 Policies related to safety of end users

We strive to live up to our customers' expectations, and in line with the product safety principles in our Code of Conduct and SHEQ policy, described on page 41, our products and services are developed to meet the productivity, quality, functionality, safety, and environmental needs of our customers and end users. Our products must also comply with relevant laws and regulations, including those regarding the health and safety of end users. When required, our products are also properly tested for safety prior to introduction, and are delivered with required product, service and safety information.

S4-2 Engaging with end users about impacts

As stated in our SHEQ policy, customer focus is a guiding principle for Atlas Copco Group and our ambition is to build close relationships with our customers. In our decentralized business model, the customer centers hold overall responsibility for customer relationship management, while our sales and service teams play a central role as the primary point of contact with customers in the field.

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, including safety aspects. Here, we monitor several customer satisfaction KPIs, which help us track feedback systematically and guide further improvements.

S4-3 Processes and channels for end-users to raise concerns

Questions or concerns related to our products and their handling are typically managed by the responsible customer centers, which maintain direct contact with our customers. Our whistleblowing system, SpeakUp, is also accessible via our global website to customers who wish to raise a concern related to our products or services. Read more in the Governance section on page 75.

We ensure that potential product-related safety incidents or concerns are reported and thoroughly followed up until resolved. Incidents are carefully investigated by internal experts to identify the root cause and determine appropriate corrective actions. These may include product modifications, retrofit campaigns, recalls, or field service activities. When necessary, performance is monitored, and outcomes are reported to responsible managers.

S4-4 Actions to manage impacts, risks and opportunities

Operator safety and experience is fully integrated into the product development process, including risk assessments and testing to identify potential areas for improvement. Product safety is a shared responsibility across functions, involving engineering, product compliance and our customer centers and service organization.

Safety aspects are important for each phase of the product's life cycle, from its design to disposal. By developing solutions that leverage automation and digitalization of products and services, we continuously enhance both efficiency and safety for our customers and end users.

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.

S4-5 Targets and metrics

We do not have any measurable, outcome-related or time-bound targets related to product safety. Instead, our overarching goal is to provide our customers with safe and effective products that help build their trust in us and support long-lasting relationships. We also track and follow up all safety-related incidents related to our products. In 2025, no personal safety incidents involving end-users were reported through the Group's whistleblower system, SpeakUp. In addition, our operational entities monitor warranty and quality issues through structured follow-up processes.

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

BUSINESS CONDUCT

SBM-3 Impacts, risks, and opportunities

As a global company with operations in 180 countries and with several thousand suppliers and distributors 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 operates and works with business partners in some countries that are associated with high risks of corruption. Upholding ethical business conduct not only reinforces our reputation and maintains stakeholder trust, but can also help create business opportunities. A strong commitment to complying with laws, regulations, and the Group's Code of Conduct is essential to mitigate the risk of financial losses from fines, sanctions, or other penalties.

G1-1 Business conduct policies and corporate culture

Atlas Copco Group builds trust by fostering relationships grounded in integrity, fairness, and respect with all those affected by our operations. These principles are a fundamental part of our corporate culture, and we expect our business partners to uphold the same standards of ethical conduct.

The Code of Conduct is the Group's central policy document and sets out the fundamental values and principles that apply to all employees, the Board of Directors, and to our business partners. It is based on international frameworks such as the United Nations International Bill of Human Rights, the United Nations Global Compact, and the OECD Guidelines for Multinational Enterprises. Topics covered include anti-bribery and corruption, insider trading, conflicts of interest, fair competition, and trade compliance. See page 41 for further details on its scope and implementation.

Governance	Target	2025	2024	2023	Comment
Employees who have signed the Group's Code of Conduct compliance statement [1]	100%	99%	99%	99%	
Employees who have participated in the Group's Code of Conduct leader-led training [1]	100%	99%	–	99%	Biennially
Employees in selected target groups who have participated in training in trade compliance [1]	100%	99%	–	–	Biennially starting 2025
Employees in selected target groups who have participated in training in fair competition	100%	–	–	–	Biennially starting 2026
Significant suppliers who have confirmed compliance with the Group's Code of Conduct by signing our Business partner criteria	100%	94%	91%	90%	
Significant distributors who have confirmed compliance with the Group's Code of Conduct by signing our Business partner criteria	100%	95%	94%	94%	
Share of strategic significant suppliers engaged in assessment on environmental, social and governance aspects	50% by 2027	–	–	–	

[1] Employees who joined the Group through acquisitions after September 30, 2025 are excluded from this KPI.

Division Presidents are accountable for compliance with laws, regulations and the Code of Conduct within their divisions, while Business Area Presidents and Group Management are responsible for promoting and upholding our values and principles across the organization. All managers are expected to lead by example and ensure their teams understand the Code of Conduct and other mandatory policies and how to apply them in their daily work.

Group anti-bribery and corruption policy

The Group's anti-bribery and corruption policy reinforces our zero tolerance stance on all forms of corruption, and our commitment to transparency, integrity, and accountability in all business dealings. The policy complements the Code of Conduct and aligns with the principles of the United Nations Convention against Corruption (UNCAC). It outlines the responsibilities of management and employees and provides guidance to support compliance with anti-bribery and corruption laws. All Atlas Copco Group employees are expected to adhere to the policy. The latest version of the policy, updated in 2025, is available to all employees in *The Way We Do Things*. Rather than identifying functions most at risk for corruption, we train all employees annually on anti-corruption. For anti-corruption training provided to employees, see Prevention and detection of corruption and bribery, page 75.

Communication and training

To ensure all Group employees are aware of our expectations, and to reinforce our commitment to integrity and compliance, we strongly emphasize communication, training, and monitoring. Our commitment is reflected in our Group targets, see the table below.

All employees are required to complete a leader-led ethics training every two years, with new employees participating within their first 12 months. The training includes real-life scenarios and ethical dilemmas based on the Code of Conduct, encouraging group discussion. In addition, all employees must complete annual Code of Conduct e-learning and sign a compliance statement.

In 2025, a new trade compliance training was launched. It is mandatory for employees in relevant roles and available to all

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employees in the Group's learning management system. The e-learning is designed to enhance participants' understanding of economic sanctions and export controls, and related internal policies and procedures.

A fair competition training will follow in 2026, also mandatory for employees in relevant target groups and available to all employees.

Whistleblowing and misconduct reporting

To uphold our commitment to ethical business conduct, it is essential that we are informed of any actual or suspected breaches of law or unethical business conduct. Employees are strongly encouraged to report any non-compliance concerns, in the first instance to their managers, Human Resources Department or Holding Vice Presidents or as a last resort, or if the employee wishes to report anonymously, via the Group's whistleblowing system SpeakUp.

Managers, Human Resources and Holding Vice Presidents are expected to promptly and professionally address concerns raised within their area of responsibility, and escalate actual or suspected violations of the law or severe misconduct for investigation via the SpeakUp process.

Our whistleblowing system SpeakUp is hosted by an independent external provider and is accessible to anyone wishing to report actual or suspected legal or ethical misconduct. Employees and other stakeholders, including workers in the value chain and customers, are encouraged to raise concerns through the system. The system is available 24 hours a day, 7 days a week, allowing voice or text messages to be left in more than 70 languages.

All reports are screened and those in scope are assigned to impartial internal investigators supported by Group Legal. Investigations are handled promptly and objectively, with safeguards against conflicts of interest. Through the SpeakUp system, the investigation team can communicate directly with the reporter, and ask for additional information or provide updates on the status and outcome of the investigation. The SVP Chief Legal Officer informs the Board about any critical concerns and provides annual reports on trends and statistics.

The Code of Conduct includes a non-retaliation commitment to all concerns raised in good faith, ensuring that reporting individuals will never face adverse consequences, even if the report leads to a loss of business. Anyone who retaliates against an employee or other stakeholder for speaking up will face disciplinary action, up to and including termination of employment.

Employee awareness of SpeakUp is reinforced through various means, for example by referring to it in the mandatory annual Code of Conduct e-learning. The fact that reports are received from all regions where the Group operates, and the fairly large volume of reports, indicate strong awareness and trust in the system. We also receive reports from business partners indicating that they are aware of the possibility to report concerns through SpeakUp.

G1-3 Prevention and detection of corruption and bribery

Atlas Copco Group enforces a zero-tolerance policy toward all forms of corruption and bribery, including facilitation payments. This policy applies to all employees and members of the Board of Directors, and covers all business dealings and transactions in every country where we operate. It reinforces our corporate culture and supports fair market competition. Employees who offer or accept bribes will face disciplinary action, up to and including termination of employment. Corruption risks are part of the Enterprise Risk Management process, see page 40 in the sustainability governance section.

All employees undergo annual anti-corruption training. Anti-corruption dilemmas are included in the mandatory annual Code of Conduct e-learning, as well as in the biennial leader-led ethics training. In addition, the UN Global Compact anti-corruption e-learning, Doing Business with Integrity, is available to all employees. The reporting channels described under 'Whistleblowing and misconduct reporting' are also used to detect actual or suspected incidents of corruption and bribery, and the investigation of such incidents follows the same principles outlined in that section.

The Group conducts internal audits of all operational entities using a risk-based approach, with each entity typically audited at least once every five years. These audits include an ethical review as well as an assessment of corruption-related risks. In 2025, 20% of all entities were audited and no significant risks related to corruption were identified during these audits.



G1-4 *Incidents of corruption and bribery*

In 2025, Atlas Copco Group recorded no convictions or fines for violation of anti-corruption or anti-bribery laws[1]. In the event of any violations, the Group is committed to taking appropriate action, including adjustment of policies or procedures and taking disciplinary measures up to and including termination of employment.

Relationships with business partners

Collaborating with business partners who share Atlas Copco Group's commitment to human rights, environmental standards, safety, quality, and ethical conduct is key to managing risk and promoting sustainability across our value chain.

The Code of Conduct is the backbone of our efforts to maintain a responsible value chain. This is reinforced through a signed

[1] The data include convictions, penalties and fines resulting from corruption incidents through Speakup in 2025. We acknowledge that there may be convictions, penalties and fines resulting from corruption incidents not reported through Speakup. We will continue to strengthen and harmonize our reporting processes to support a more complete and reliable data collection over time.

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commitment to the Code of Conduct by significant suppliers and distributors, as well as through screenings, audits, and targeted training initiatives.

Our target is for 100% of significant business partners to commit to our Code of Conduct by signing the Business Partner Criteria document, see table on page 74. This commitment must be renewed every five years. The document has been translated into over 30 languages and is available on the Group's website.

G1-2 ***Relationships with suppliers***

Atlas Copco Group has a large international supplier base, which presents challenges and risks that can vary greatly between countries. Through a risk-based approach, we prioritize the evaluation of significant suppliers, who represent the majority of our purchase value, as well as suppliers operating in high-risk markets related to corruption, environmental practices, or human rights.

The Group's purchasing strategies are decentralized to ensure flexibility and access to the right expertise. Strategic purchasing is coordinated through the business area purchasing councils, which also collaborate within the Group's central purchasing council to develop shared policies and tools. Local purchasing creates value in the communities where the Group operates, such as job opportunities and direct and indirect income. These purchases are mainly carried out by local companies, which helps reduce lead times and environmental impact from transportation.

Significant suppliers are evaluated both during the selection process and throughout the business relationship, based on criteria aligned with international frameworks such as the UN Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work. The evaluations are carried out by the product companies, primarily by personnel in the purchasing function. Suppliers are evaluated using an ESG assessment tool, complemented by audits when necessary. These audits result in a report that may include corrective actions to be followed up within an agreed timeframe. Atlas Copco Group can provide expertise and guidance to suppliers who need support in order to comply with the minimum standards outlined in the Business Partner Criteria. If a supplier fails to meet the criteria and shows no willingness to improve, the relationship may be discontinued. Read more about the process and audits conducted in 2025 on pages 71–72.

Relationships with distributors and agents

Atlas Copco Group requires all significant distributors to commit to our Code of Conduct by signing the Business Partner Criteria document. Priority is given to distributors that account for the majority of sales value or operate in high-risk markets.

Atlas Copco Group has a large international distributor base. The Group's sales strategies are established globally by the divisions and adapted to local market needs by the customer centers. These strategies include the selection of sales channels and distributor management. Marketing councils facilitate cross-divisional alignment and develop centralized policies and tools, including programs for distributor certification. In 2025, we launched a new project in collaboration with business area representatives to develop a process for evaluating distributors from an ESG perspective and verifying their compliance with the Code of Conduct. Read more on page 72.

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, along with the Group's legal department, provide support on trade compliance matters, including issues of sanctions and export controls.

A Group customer sustainability assessment tool is provided to support proactive identification and evaluation of potential environmental, labor, human rights, and corruption risks. In 2025, a pilot was conducted at selected customer centers in high-risk markets to identify relevant process improvements. This included identifying industries with perceived heightened risk, as a means to prioritize efforts.



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Governance information, continued

ADDITIONAL INFORMATION

Although the following topics did not meet the threshold for materiality in our double materiality assessment, they are presented here given their relevance to some stakeholders and ESG rating agencies.

Environmental information

In addition to tracking performance against the Group's environmental targets, we report on several other environmental metrics, many of which support the achievement of our Group targets through improved resource efficiency and operational excellence. The environmental impact of our facilities varies depending on local operations, and each site is responsible for identifying, mitigating, and setting targets to reduce its environmental impact. These efforts are guided by ISO 14001-certified environmental management systems. The targets typically relate to areas such as water withdrawal and reuse, energy consumption and optimization, and the share of renewable energy used.

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 of 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. This is why biodiversity is addressed in our SHEQ policy.

During 2025, we continued work within our internal biodiversity workstream, involving representatives from the Group and all four business areas. The workstream builds internal competence, monitors developments, and guides the organization on biodiversity-related matters, including through an internal guidebook developed to raise awareness and support impact management.

In 2025, we further analyzed the results of the biodiversity impact assessment conducted in 2024, focusing on impacts related to production sites and significant suppliers to identify risk locations and proximity to sensitive areas. We will continue to assess and address our impacts as appropriate.

Climate change and pollution are key drivers of biodiversity loss. From this perspective, our impact on nature is currently addressed through our climate targets and efforts to reduce greenhouse gas emissions across the value chain. Pollution prevention is addressed through the implementation of our Prohibited and Declarable list of substances of concern in our own operations and for our suppliers. Impact is also managed through our environmental management systems that support responsible management of emissions, waste, and chemicals where relevant at our sites.

In addition, our circularity target for product development and supplier requirements for environmental management systems help reduce pressure on nature. When constructing or reconstructing buildings and premises, we aim to follow sustainable building standards such as LEED, BREEAM, or comparable criteria, and take measures to avoid impacts 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.

Water withdrawal	2025	2024	2023
Water withdrawal in ´000 m^3	722	687	671
Water withdrawal m^3/revenue (MSEK)	4.3	3.9	3.9

Governance information

Lobbying

We do not use Group funds or assets to support political parties, campaigns or candidates, or similar activities. We primarily conduct advocacy through the representation by or in trade organizations and industry trade associations, see page 82.

Tax policy

Atlas Copco Group recognizes the important role tax plays in economic development and considers it essential to combat corruption and support sound business practices to create value for society. The Group applies good corporate practice in tax management, balancing the interests of stakeholders, including governments and communities in the countries where it operates. Atlas Copco Group does not engage in aggressive tax planning and strives to pay the correct taxes in each country. The Group's tax policy is available on www.atlascopcogroup.com. For details of taxes paid, see note 8 of the consolidated financial statements, reported in accordance with 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 to tax authorities globally through country-by-country reporting. Key figures for 2025 will become public under the EU Directive on public country-by-country reporting.

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IRO-2 Disclosure requirements in ESRS covered by the sustainability statement

ESRS	Disclosure requirement	Page
ESRS 2 General disclosures		
BP-1	General basis for preparation of the sustainability statement	43
BP-2	Disclosures in relation to specific circumstances	43
GOV-1	The role of the administrative, management and supervisory bodies	39
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	39
GOV-3	Integration of sustainability-related performance in incentive schemes	40
GOV-4	Statement on due diligence	42
GOV-5	Risk management and internal controls over sustainability reporting	40
SBM-1	Strategy, business model and value chain	32
SBM-2	Interests and views of stakeholders	35
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	37
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	36
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	78
E1 Climate change		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	44
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	36, 44
E1-1	Transition plan for climate change mitigation	45
E1-2	Policies related to climate change mitigation and adaptation	45
E1-3	Actions and resources in relation to climate change policies	45
E1-4	Targets related to climate change mitigation and adaptation	47
E1-5	Energy consumption and mix	48
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	53
E1-8	Internal carbon pricing	47
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in

ESRS	Disclosure requirement	Page
E5 Resource use and circular economy		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	54
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	36
E5-1	Policies related to resource use and circular economy	54
E5-2	Actions and resources related to resource use and circular economy	54
E5-3	Targets related to resource use and circular economy	55
E5-4	Resource inflows	55
E5-5	Resource outflows	56
E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	Phase-in
S1 Own workforce		
SBM-2	Interests and views of stakeholders	61
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	61
S1-1	Policies related to own workforce	61
S1-2	Processes for engaging with own workers and workers' representatives about impacts	61
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	62
S1-4	Actions and resources related to our own workforce	63, 65, 67
S1-5	Targets related to our own workforce	61, 63, 65, 67–68
S1-6	Characteristics of the undertaking's employees	69
S1-7	Characteristics of non-employees in the undertaking's own workforce	Phase-in
S1-8	Collective bargaining coverage and social dialogue	69
S1-9	Diversity metrics	70
S1-10	Adequate wages	69
S1-11	Social protection	Phase-in
S1-12	Persons with disabilities	Phase-in
S1-13	Training and skills development metrics	64
S1-14	Health and safety metrics	68
S1-15	Work-life balance metrics	Phase-in
S1-16	Remuneration metrics	66
S1-17	Incidents, complaints and severe human rights impacts	66

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IRO-2 Disclosure requirements in ESRS covered by the sustainability statement, continued

ESRS	Disclosure requirement	Page
ESRS S2 Workers in value chain		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	71
S2-1	Policies related to value chain workers	71
S2-2	Processes for engaging with value chain workers about impacts	71
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	71
S2-4	Actions and resources related to value chain workers	71
S2-5	Targets and metrics related to value chain workers	72
S4 Consumers and end-users		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	73
S4-1	Policies related to consumers and end-users	73
S4-2	Processes for engaging with consumers and end-users about impacts	73
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	73
S4-4	Actions and resources related to consumers and end-users	73
S4-5	Targets and metrics related to consumers and end users	73

ESRS	Disclosure requirement	Page
G1 Business conduct		
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	36
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	74
G1-1	Business conduct policies and corporate culture	74
G1-2	Management of relationships with suppliers	76
G1-3	Prevention and detection of corruption and bribery	75
G1-4	Incidents of corruption or bribery	75

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IRO-2 Disclosure requirements that derive from other EU legislation

This table provides an overview of ESRS data points that derive from other EU legislation, as listed in ESRS 2, appendix B, and where the information can be found in the sustainability statements if deemed material.

Disclosure requirement	Data point		Legislation	Page
ESRS 2, GOV-1	21 (d)	Board's gender diversity	SFDR/BRR	39
	21 (e)	Percentage of board members who are independent	BRR	39
ESRS 2, GOV-4	30	Statement on due diligence	SFDR	42
ESRS 2, SBM-1	40 (d) (i)	Involvement in activities related to fossil fuel activities	SFDR/P3/BRR	NM
	40 (d) (ii)	Involvement in activities related to chemical production	SFDR/BRR NR	NM
	40 (d) (iii)	Involvement in activities related to controversial weapons	SFDR/BRR NR	NM
	40 (d) (iv)	Involvement in activities related to cultivation and production of tobacco	BRR	NM
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	EUCL	45
	16 (g)	Undertakings excluded from Paris-aligned benchmarks	P3/BRR	NR
ESRS E1-4	34	GHG emission reduction targets	SFDR/P3/BRR	47
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources	SFDR	NM
	37	Energy consumption and mix	SFDR	NM
	40–43	Energy intensity associated with activities in high climate impact sectors	SFDR	NM
ESRS E1-6	44	Gross scope 1, 2, 3, and total GHG emissions	SFDR/P3/BRR	53
	53–55	Gross GHG emissions intensity	SFDR/P3/BRR	53
ESRS E1-7	56	GHG removals and carbon credits	EUCL	NM
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	NS
	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; location of significant assets at material physical risk	P3	NS
	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	P3 NS	NS
	69	Degree of exposure of the portfolio to climate-related opportunities	BRR	NS
ESRS E2-4	28	Amount of each pollutant listed in annex II of the E-PRTR regulation emitted to air, water, and soil	SFDR	NM
ESRS E3-1	9	Water and marine resources	SFDR	NM
	13	Dedicated policy	SFDR	NM
	14	Sustainable oceans and seas	SFDR	NM
ESRS E3-4	28 (c)	Total water recycled and reused	SFDR	NM
	29	Total water consumption in m³ per net revenue on own operations	SFDR	NM
ESRS E4, SBM-3 (ESRS 2)	16 (a) (i)	Activities negatively affecting biodiversity-sensitive areas	SFDR	NM
	16 (b)	Land degradation, desertification, or soil sealing	SFDR	NM
	16 (c)	Threatened species	SFDR	NM
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	SFDR	NM
	24 (c)	Sustainable oceans/seas practices or policies	SFDR	NM
	24 (d)	Policies to address deforestation	SFDR	NM
ESRS E5-5	37 (d)	Non-recycled waste	SFDR	56
	39	Hazardous waste and radioactive waste	SFDR	56
ESRS S1, SBM-3 (ESRS 2)	14 (f)	Risk of incidents of forced labour	SFDR	NM

Legislation
SFDR Sustainable Finance Disclosure Regulation
P3 EBA Pillar 3 disclosure requirements
BRR Climate Benchmark Standards Regulation
EUCL EU Climate Law

Other short forms
NR Not relevant
NS Not stated due to applicable phase-in provisions under ESRS
NM Not material

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IRO-2 Disclosure requirements that derive from other EU legislation, continued

This table provides an overview of ESRS data points that derive from other EU legislation, as listed in ESRS 2, appendix B, and where this information can be found in the sustainability statements if deemed material.

Disclosure requirement	Data point		Legislation	Page
	14 (g)	Risk of incidents of child labour	SFDR	NM
ESRS S1-1	20	Human rights policy commitments	SFDR	61
	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	41, 61
	22	Processes and measures for preventing trafficking in human beings	SFDR	NM
	23	Workplace accident prevention policy or management system	SFDR	41, 67
ESRS S1-3	32 (c)	Grievance/complaints-handling mechanisms	SFDR	75
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	SFDR/BRR	68
	88 (e)	Number of days lost to injuries, accidents, fatalities, or illness	SFDR	68
ESRS S1-16	97 (a)	Unadjusted gender pay gap	SFDR/BRR	66
	97 (b)	Excessive CEO pay ratio	SFDR	66
ESRS S1-17	103 (a)	Incidents of discrimination	SFDR	66
	104 (a)	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	NM
ESRS S2, SBM-3 (ESRS 2)	11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR	71
ESRS S2-1	17	Human rights policy commitments	SFDR	41, 71
	18	Policies related to value chain workers	SFDR	41, 71
	19	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	72
	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	41, 71
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	72
ESRS S3-1	16	Human rights policy commitments	SFDR	NM
	17	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	NM
ESRS S3-4	36	Human rights issues and incidents	SFDR	NM
ESRS S4-1	16	Policies related to consumers and end-users	SFDR	41, 73
	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR/BRR	NR
ESRS S4-4	35	Human rights issues and incidents	SFDR	NR
ESRS G1-1	10 (b)	United Nations Convention against Corruption	SFDR	NR
	10 (d)	Protection of whistleblowers	SFDR	NR
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR/BRR	75
	24 (b)	Standards of anti-corruption and anti-bribery	SFDR	74–75

Legislation
SFDR Sustainable Finance Disclosure Regulation
P3 EBA Pillar 3 disclosure requirements
BRR Climate Benchmark Standards Regulation
EUCL EU Climate Law

Other short forms
NR Not relevant
NS Not stated due to applicable phase-in provisions under ESRS
NM Not material

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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 2025, Atlas Copco Group received an AA rating in the MSCI ESG Ratings assessment and Prime status from 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 B for the water-related disclosure.



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Water for All: Employee community engagement

Water for All is Atlas Copco Group's main community engagement initiative. This is reinforced in the Code of Conduct and our Group target to enable continued successful implementation of the initiative. Through the dedicated and passionate work of volunteering employees, Water for All funds projects that empower local communities worldwide by providing access to clean drinking water, sanitation, and hygiene. In this way, the initiative contributes to healthier societies and supports vulnerable people's human rights. Women and young girls are particularly affected by the lack of water and sanitation, and all projects supported by Water for All aim to positively impact the lives of women and girls in particular.

In 2025, Water for All supported nearly 90 projects across 49 countries, reaching more than 170 000 people. Key projects during the year included the completion of the Ntarabana Water Supply System in Rwanda, clean water solutions for more than 4 000 residents in Wiang Wai Village, Thailand, and the installation of solar-powered water pumps and sanitation facilities for indigenous communities in Malaysia and Singapore. Through these and other initiatives, Water for All strengthened its role as a cornerstone of the Group's long-term commitment to improving lives and fostering community resilience.

Employee engagement is a central pillar of Water for All. Atlas Copco Group actively encourages employees to contribute through voluntary donations or by getting involved in local Water for All organizations, with all employee donations matched at twice the donated amount by the company. This approach reinforces the belief that access to clean water is a fundamental human right, while also offering employees the opportunity to engage in meaningful community work that fosters personal growth and a sense of belonging.

A central coordinator supports the global network of local ambassadors. Progress is tracked through mandatory annual reports, focusing on both actual achievements and sharing of best practices.

> **In 2025, Water for All supported nearly 90 projects across 49 countries, reaching more than 170 000 people.**



Water for All is the main community engagement initiative of both Atlas Copco Group and Epiroc. The numbers reflect Water for All's global achievements in 2025 including both companies.

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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 targets and activities addressing water consumption
- Water treatment solutions
- Providing access to clean water and improved sanitation through the employee-driven initiative *Water for All*



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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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 in relation to many customer segments results in a variety of risks and opportunities, geographically, operationally and strategically. 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 based on risk-informed decisions, 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 support the organization by providing 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 internal, strategic and external risks. The methodology is applied to 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' key 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 property losses and business interruptions by establishing best practices and creating awareness across the Group. The Loss Prevention Standard stipulates Group requirements for loss prevention at 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 40 risk surveys are performed annually, in addition to follow-up on the implementation of previous recommendations. The results 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.

The loss prevention program is consulted at early stage of construction projects for advice on potential new risks and to avoid any unforeseen future loss prevention costs.

Insurance

The Group Insurance Program is provided centrally to cover insurable risks common to all entities. The in-house 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 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.

In 2025, Employee Benefits insurable risks have been integrated in the Group Insurance Program to improve visibility on these risks as well as improve costs efficiency.



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 by licenses, patents and other intangible property rights. Increased speed of 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. • Compulsory trade compliance trainings are regularly performed to create awareness around sanctions. Our Group Targets currently alternate trade compliance trainings (2025) and competition law training (2026).	– 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 can improve business resilience for the Atlas Copco Group.
Reporting (including tax)	There is a risk related to the communication of financial information to the capital market in case 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. In addition, several of the reporting processes are new with little or limited information about how to interpret the reporting requirements.	• 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. • The Group is subject to the Corporate Sustainability Reporting Directive (CSRD) and is reporting in accordance with the European Sustainability Reporting Standards (ESRS). One example of measures taken to prepare for CSRD 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. – Good reporting also leads to improved business insights and risk management, especially when the data has been integrated to highlight interdependencies.

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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 influence the Group's sales of spare parts, service and consumables. New competitors continuously appear in most markets. Some could 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. • Focus on cost efficiencies allows divisions to remain competitive.	– 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 an 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. Misinformation on products driven by artificial intelligence could negatively impact a Group's 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 Group 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. • Awareness trainings on Artificial Intelligence are regularly performed in the Group.	– 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	An interruption or lack of capacity in a core manufacturing location 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 distribution can be costly. Some sales are made indirectly through distributors and rental companies, and any underperformance by these entities may have a negative effect on sales. The distribution of products results in CO_2 emissions from transport.	• Manufacturing entities 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 entities have business continuity plans in place, which are regularly reviewed. • Ambition to certify all manufacturing entities in accordance with the ISO 14001 standard. • Physical distribution of products is concentrated to several 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. • Investments in existing or new production facilities are regularly performed to decrease dependency on critical sites.	– 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 many 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. Large disruptions at a single-source supplier could negatively affect the delivery of components or spare parts to customers. 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 encouraged 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 partners 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 and external shocks. – 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. – Business continuity plans to respond to supply chain disruptions will increase the Group's overall operational resilience.
Geopolitical	The Group is present in most parts of the world and geographical crisis might lead to trade restrictions. Protectionist measures could include high tariffs, which could impact the Group's financial performance. 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 builds scenarios to prepare for different possible futures. • The potential effects of tariffs are regularly assessed by the divisions. • 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. Business continuity plans also prepare for disruptions. • Constant checks are performed in the divisions to comply with sanction lists. • Collaboration with international health and security partners allows the Group to be better prepared, 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 training 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. • Special focus is put on the integration of acquired companies from an IT security perspective to ensure they meet Atlas Copco Group's security standards as quickly as possible. • 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 cyberattack 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 acquisition. Before any acquisition is completed, detailed due diligence will be performed 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. – An established process for integrating newly acquired companies enables the faster realization of synergies.
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. Artificial intelligence might enable disruptive technologies which could have a negative impact.	• 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. • Awareness training aimed at improving the understanding of artificial intelligence is conducted regularly.	– 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 resulting from climate change may 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 Group´s main sites 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. In parallel, new businesses and business models relevant to the Group are emerging. 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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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.	• Competency mapping and planning 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 recruit new skills and talents, and understand 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. • A global Insight survey is conducted regularly to measure employees' engagement and implement improvement actions.	– Improved safety and well-being among employees increase employee satisfaction and engagement, productivity and strengthens the brand. – Improved working conditions for customers and business partners benefit their employees and local communities and may contribute to long-term relationships that support repeat business. – A healthy work environment increases employee productivity.
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. The Group's reputation may be adversely affected by relationships with business partners that 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 correspond 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 marketplace. – 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 with 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. A Group target 2026 includes a competition law training for relevant employees.	– By fighting corruption and fraud, Atlas Copco Group can 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, creates opportunities to improve operational efficiencies and contributes to greater stability in society and in the 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 2025, the price of the A share decreased 1.7% to SEK 166.1 (168.9) and the B share decreased 0.3% to SEK 149.0 (149.5). 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 13% for the past five years. The corresponding total return for Nasdaq Stockholm was 11% and 9%, respectively.

Trading and market capitalization

The Atlas Copco shares are listed on Nasdaq Stockholm, which accounted for 21.2% of the total trading of the A share (25.7% of the B share) in 2025. Other markets, so-called Multilateral Trading Facilities (MTF), such as CBOE, accounted for 54.5% (51.2% of the B share), and the remaining 24.3% (23.1% of the B share) were traded outside public markets, for example through over-the-counter trading.

Market capitalization at year end 2025 amounted to MSEK 790 096 (800 200) and the company represented 6.4% (7.3) of the total market value of Nasdaq Stockholm. The Atlas Copco share was the second most traded share in 2025 (most traded in 2024) measured 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 2025, there were 79 234 408 ADRs outstanding, of which 68 681 351 represented A shares and 10 553 057 represented B shares.

Personnel stock option program

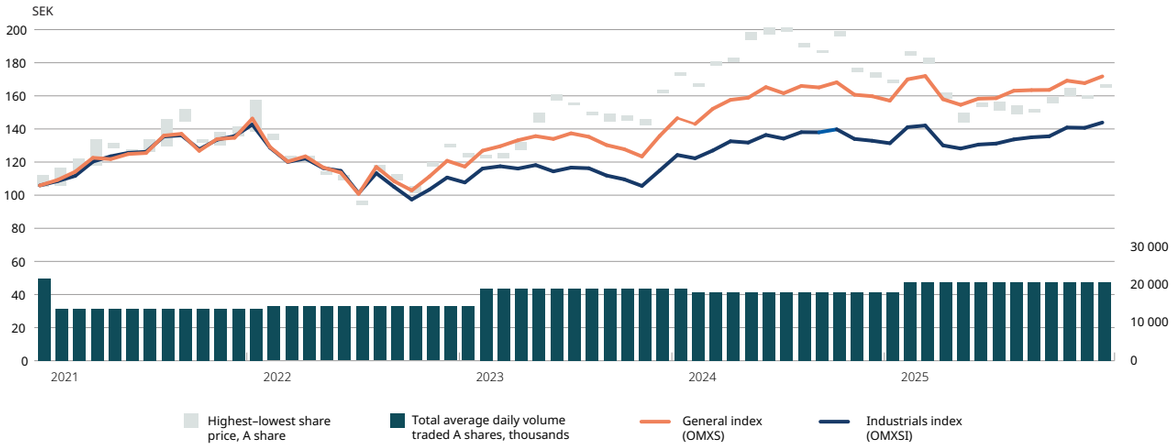
The Board of Directors will propose to the Annual General Meeting 2026 a similar performance-based long-term incentive program as in previous years. The company's holding of own shares on December 31, 2025 is presented in the table to the right.

Dividend

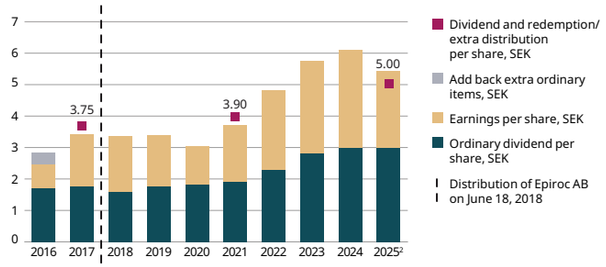
The Board of Directors proposes to the Annual General Meeting 2026 an ordinary dividend of SEK 3.00 (3.00) per share, together with an extra distribution of SEK 2.00 per share, to be paid for the 2025 fiscal year. In order to facilitate more efficient cash management, the dividend is proposed to be paid in two equal installments of SEK 2.50 each. If approved, the ordinary dividend has averaged 50% 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 17.

Share information 2025-12-31	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	47 864 891	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 to the share split in 2022
[2] Proposed by the Board of Directors

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Ownership structure

At the end of 2025, Atlas Copco AB had 181 775 (141 964) shareholders. The ten largest shareholders, registered directly or as a group with Euroclear Sweden, the Swedish Central Securities Depository, by voting rights, accounted for 36% (34) of the voting rights and 32% (33) of the capital. Swedish investors held 50% (48) of the capital and represented 47% (45) of the voting rights.

Ten largest shareholders *

December 31, 2025	% of votes	% of capital
Investor AB	22.4	17.1
Swedbank Robur fonder	3.5	3.6
Handelsbanken fonder	2.5	2.1
Nordea Investment Funds	1.9	1.6
SEB Investment Management	1.6	1.4
Folksam	1.1	1.1
Alecta Pensionsförsäkring	1.0	2.6
Avanza Fonder	1.0	1.0
SPP Fonder	0.8	0.7
Länsförsäkringar	0.6	0.9
Others	63.6	67.9
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, 2025	% of capital
Shareholders domiciled abroad (legal entities and individuals)	49.7
Swedish financial companies	39.3
Swedish individuals	5.0
Other Swedish legal entities	2.1
Swedish social insurance funds	2.7
Swedish trade organizations	0.9
Swedish government and municipals	0.3
Total	**100.0**

Ownership structure

Number of shares, December 31, 2025	% of shareholders	% of capital
1–500	68.4	0.3
501–2 000	17.5	0.7
2 001–10 000	10.6	1.8
10 001–50 000	2.7	2.0
50 001–100 000	0.3	0.7
>100 000	0.5	94.5
Total	**100.0**	**100.0**

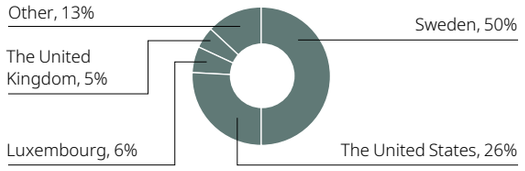
Share issues [1]

			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, 2025, percentage of capital



Important dates

2026	April 28	First quarter results
	April 28	Annual General Meeting
	April 29 *	Shares trade excluding right to dividend of SEK 2.50
	May 6 *	Dividend payment date (preliminary)
	July 16	Second quarter results
	October 19 *	Shares trade excluding right to dividend of SEK 2.50
	October 22	Third quarter results
	October 23 *	Dividend payment date (preliminary)
2027	January 28	Fourth quarter results 2026

* 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 170 in the four-year summary.
- For more information on distribution of shares, option programs, and repurchase of own shares, see notes 4, 20 and 23.
- 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 2025. The corporate governance report has been examined by the auditors, see page 166.

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

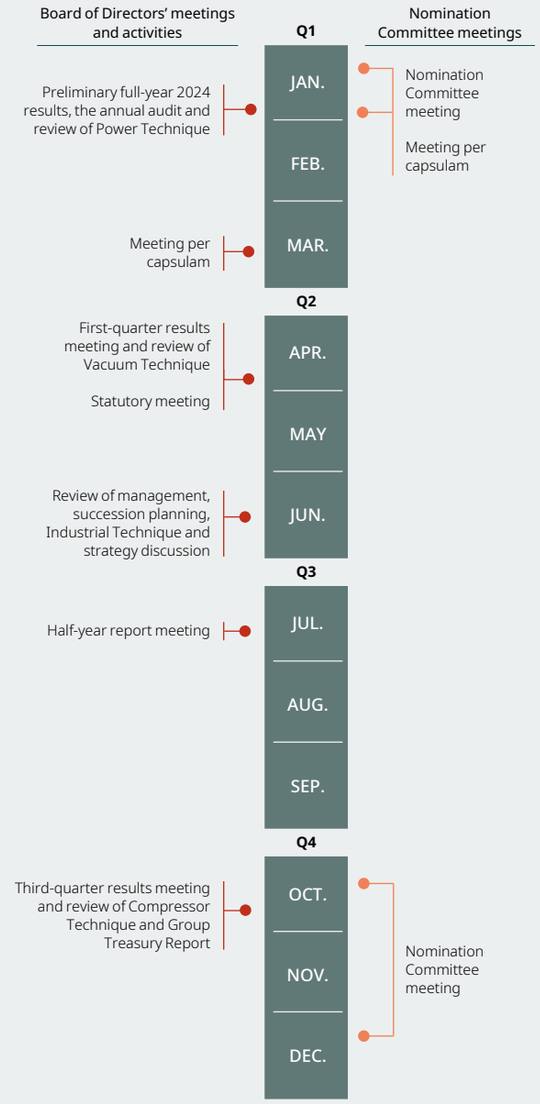
Comment from the Chair

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 a culture and processes with respect for people and the environment, 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 transition 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 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 has been a member of the UN Global Compact since 2008. All employees' annual signing of the Code of Conduct, together with training, sets the foundation for handling ethical dilemmas and strengthening awareness of the Group's culture 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, including internal and external controls and audits, and the leaders' ability to defend values.



Hans Stråberg
Chair since 2014

Meetings of the Board and the Nomination Committee during 2025



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Corporate governance, continued



1. Shareholders

At the end of 2025, Atlas Copco AB had 181 775 (141 964) shareholders. The ten largest shareholders registered directly or as a group with Euroclear Sweden, the Swedish Central Securities Depository, by voting rights, accounted for 36% (34) of the voting rights and 32% (33) of the capital. Swedish investors held 50% (48) of the capital and represented 47% (45) of the voting rights. The largest shareholder is Investor AB, holding 17.1% of capital and 22.4% of votes. More information on Atlas Copco AB shareholders can be found on pages 91–92.

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) 2025 was held on April 29, 2025, in Stockholm, Sweden. The Company also offered shareholders the possibility to exercise their voting rights by mail voting. 66% of the total number of votes in the Company and 66% of the shares were represented.

Decisions at the AGM 2025 included:

- Adoption of the income statements and balance sheets of Atlas Copco AB and Group for 2024.
- Discharge of liability of the Company's affairs during the 2024 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 3.00 per share to be paid in two installments. The first installment amount was SEK 1.50 per share and the second installment amount was SEK 1.50 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 2024.
- 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, including hedging measures with a third-party swap for the 2025 plan. Mandate for the Board to decide on repurchase and sales of Atlas Copco AB shares to hedge previous similar plans.
- Election of Ernst & Young AB as auditor firm up to and including the Annual General Meeting 2026.

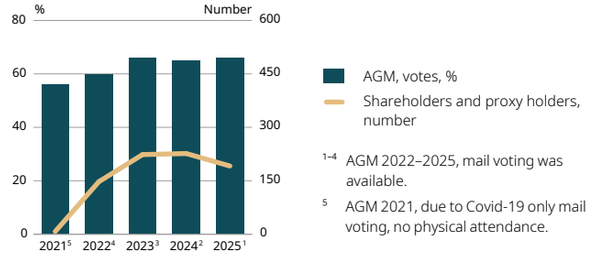
Annual General Meeting 2026

The Annual General Meeting will be held on April 28, 2026. 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@se.atlascopco.com*

Proposals must be received by the Board of Directors or the Nomination Committee, respectively, no later than seven weeks prior to the AGM in order to be included in the notice to the AGM and the agenda.

General Meeting Attendance



[1–4] AGM 2022–2025, mail voting was available.

[5] AGM 2021, 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 2025, 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 represent three nationalities: German, Brazilian, and Swedish, with a majority coming 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. In addition, 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 2026. In view of the Nomination Committee's efforts to reach gender balance, for example in cases 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, 2025, together with the Chair of the Board, shall form the Nomination Committee. The members of the Nomination Committee for the AGM 2026 were announced on September 16, 2025, and represented approximately 30% of all votes in the Company. The members of the Nomination Committee receive no compensation for their work on the Committee.

Nomination Committee members for the AGM 2026:
Petra Hedengran, Investor AB, Chair of the Nomination Committee; Joachim Spetz, Swedbank Robur Fonder AB; Helen Fasth Gillstedt, Handelsbanken Fonder AB; Filippa Gerstädt, Nordea Funds AB; 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 interests 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 2025, the Board of Directors consisted of nine elected members, including the President and CEO. The Board also included two employee representatives, each with one personal deputy. Atlas Copco Group fulfilled the 2025 requirements of Nasdaq Stockholm and the rules of the Swedish Corporate Governance Code regarding independence of board members. The Swedish Corporate Governance Code states that a majority of the members of the board shall 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 position is held 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. It also continuously ensures 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 with the Code of Conduct as well as on the Group's whistleblowing solution, SpeakUp. In addition to 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 seven meetings in 2025. Six were physical meetings held at Atlas Copco AB in Nacka and virtually. One meeting was held per capsulam. Attendance at Board meetings is presented on page 97–98.

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 2025 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 3 900 000.
- Each of the other Board members not employed by the Company was granted SEK 1 265 000.
- An amount of SEK 465 000 was granted to the Chair of the Audit Committee and SEK 290 000 to each of the other members of this committee.
- An amount of SEK 182 000 was granted to the Chair of the Remuneration Committee and SEK 135 000 to each of the other members of this committee.
- An amount of SEK 135 000 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 following 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, reviewing and monitoring 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. 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 2025 were Anna Ohlsson-Leijon, Chair, Johan Forssell, Hans Stråberg and Heléne Mellquist.

6. Remuneration Committee

The Remuneration Committee is elected by the Board at the statutory Board meeting following the AGM 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 by the Board and presented to the AGM for approval at least every four years. In 2024, the AGM decided to adopt the Board's proposal. See also note 4.

The Remuneration Committee held three meetings in 2025. All members were present. During the year, the Remuneration Committee also supported the President and CEO in determining remuneration for 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 2025 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 2025, the audit firm Ernst & Young AB, Sweden, was elected external auditor up to and including the AGM 2026 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 2025, 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 101–102.

9. Group Management

Besides the President and CEO, the Group Management during 2025 consisted of four business area presidents and five senior vice presidents responsible for the main Group functions; Communications and Sustainability, 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 adopted the Board's proposal, and a new proposal will be presented at the AGM in 2028. No material comments warranting additional changes to the guidelines have been provided since the guidelines were adopted in 2024. 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 2025 has been to reduce the Group's CO_2 emission in line with the Group's science-based targets. 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 2025, the AGM decided to approve the Remuneration Report for 2024.

Statement of materiality and significant audiences

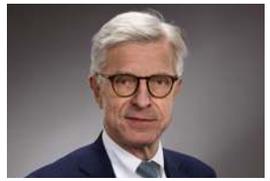
Atlas Copco AB is registered in Sweden and is legally governed by the Swedish Companies Act (2005:551). This act requires that the Board of Directors governs the Company to be profitable and create value for its shareholders. For Atlas Copco Group, creating value for its shareholders includes the integration of sustainability aspects into its strategy 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 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 approved 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 Guidelines for Multinational Enterprises. Atlas Copco Group has employed a stakeholder-driven approach to identify the most material environmental, human rights, labor, and ethical aspects of its business in accordance with the requirements of the double materiality assessment as defined by ESRS (European Sustainability Reporting Standards). Identified material topics 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, profitable growth for the Group. Atlas Copco Group monitors and discloses the progress on these material financial and nonfinancial aspects, through an externally assured, integrated annual report. In addition to the Annual General Meeting, Atlas Copco Group also creates engagement opportunities allowing non-shareholders to 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	**Vagner Rego** Board member, President and CEO, born 1972	**Jumana Al-Sibai** Board member, born 1972	**Heléne Mellquist** Board member, born 1964
Education	M.Sc. in Mechanical Engineering, Chalmers University of Technology, Gothenburg.	Mechanical engineering from Mackenzie University, and an MBA from Ibmec Business School, both in Brazil.	University of Karlsruhe (TH), Karlsruhe Institute of Technology, Germany and HEC Lausanne, Switzerland, Diploma in Industrial Engineering.	Bachelor in International Business studies, University of Gothenburg. Executive Management, Stockholm School of Economics.
Nationality / Elected	Swedish / 2013	Brazilian / 2024	German / 2023	Swedish / 2022
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.		Member of the advisory board of Frankfurt School of Finance & Management, Germany.	Chair of Hultafors Group, Innovalift, Caljan and Latour Industries. Board member of Alimak Group and Fagerhult Group.
Principal work experience	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.	President and CEO of Atlas Copco AB*. Business Area President for Compressor Technique. President of the Compressor Technique Service division.	Member of the Management Board of Mahle GmbH, with responsibility for Thermal and Fluid Systems. CEO of Mahle Beh 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.	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	7 of 7	7 of 7	6 of 7	6 of 7
Annual General Meeting	Yes	Yes	Yes	Yes
Independence				
To Atlas Copco AB and its management	Yes	No [4]	Yes	Yes
To major shareholders	No [3]	Yes	Yes	Yes
Fees and holdings				
Total fees 2025, KSEK [1]	4 440		1 245	1 533
Holdings in Atlas Copco AB [2]	166 380 class A shares 132 000 class B shares 58 539 synthetic shares	35 977 class A shares 54 909 class B shares 691 000 employee stock options	10 570 synthetic shares	15 401 synthetic shares

Board members appointed by the labor unions



Benny Larsson
Position: Board member
Year of birth: 1972
Nationality: Swedish
Elected: 2018
Board meetings: 7 of 7



Helena Hemström
Position: Board member
Year of birth: 1969
Nationality: Swedish
Elected: 2021
Board meetings: 7 of 7

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 2025, including those of close relatives or legal entities and grant for 2025.
[3] Board member of Investor AB, which is a larger owner in Atlas Copco AB.
[4] President and CEO of 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 June meeting.
* Current position.

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Board of Directors, continued



Name
Position, year of birth

Johan Forssell
Board member, born 1971

Education

M.Sc. in Economics and Business Administration, Stockholm School of Economics.

Nationality / Elected

Swedish / 2008

External memberships

Board member of ABB Ltd., Wärtsilä Oyj Abp, Finland and Epiroc AB. Member of The Royal Swedish Academy of Engineering Sciences.

Principal work experience

Senior Advisor, Investor AB and Wallenberg Investments AB*. President and CEO of Investor AB. Managing Director, Head of Core Investments, Investor AB.



Anna Ohlsson-Leijon
Board member, born 1968

B.Sc. in Business Administration and Economics from Linköping University.

Swedish / 2020

Board member of Schneider Electric.

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.



Gordon Riske
Board member, born 1957

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.

American / German / 2020

Chair of the MTU Aero Engines, AG Munich, Germany.

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.



Peter Wallenberg Jr
Board member, born 1959

BSBA Hotel Administration, University of Denver, United States, and International Bachaloria, American School, Leysin, Switzerland.

Swedish / 2012

Chair of Knut and Alice Wallenberg Foundation, Wallenberg Foundations AB and FAM Förvaltning AB (The Grand Group). Board member of Scania.

President and CEO of The Grand Hotel Holdings, General Manager, The Grand Hotel, President Hotel Division Stockholm-Saltsjön.



Karin Rådström
Board member, born 1979

Master of Engineering in Industrial Management, Royal Institute of Technology, Stockholm

Swedish / 2024

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	7 of 7	7 of 7	7 of 7	7 of 7	6 of 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 2025, KSEK [1]	1 670	1 840	1 379	1 379	1 245
Holdings in Atlas Copco AB [2]	44 000 class B shares, 16 010 synthetic shares	1 400 class B shares, 18 867 synthetic shares	18 867 synthetic shares	666 668 class A shares, 18 867 synthetic shares	6 953 synthetic shares

Board members appointed by the labor unions



Thomas Nilsson
Position: Deputy
Year of birth: 1972
Nationality: Swedish
Elected: 2021
Board meetings: 7 of 7



Emina Alic
Position: Deputy
Year of birth: 1977
Nationality: Swedish
Elected: 2025
Board meetings: 3 of 7 [7]

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 2025, including those of close relatives or legal entities and grant for 2025.
[3] Board member of Investor AB, which is a larger owner in Atlas Copco AB.
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[6] Board member of an indirect owner of Atlas Copco AB.
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* Current position.

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Group Management

Besides the President and CEO, Group Management consists of four business area presidents and five senior vice presidents responsible for the main Group functions: Communications and Sustainability, 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 served as General Manager for Construction Technique's customer center in Brazil and as 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]
35 977 class A shares
54 909 class B shares
691 000 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 engineering manager, he became General Manager and later took on 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 of 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
273 704 employee stock options



Koen Lauwers

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 in 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
208 607 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.

External memberships: Board member of HEXPOL

Nationality: Swedish

Employed/In current position since: 2007/2017

Holdings in Atlas Copco AB [1]
16 240 class A shares
346 724 employee stock options



Andrew Walker

Andrew Walker has held several 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 the Compressor Technique business area.

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]
16 952 class A shares
16 688 class B shares
346 904 employee stock options

[1] Holdings as per year end 2025, including those held by related natural or legal persons. See note 23 for more information on the option programs and matching shares. All educational institutions and companies are based in Sweden, unless otherwise indicated.

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Group Management, continued



Peter Kinnart

Peter Kinnart started his career at Atlas Copco Group as a 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 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
4 000 class B shares
227 892 employee stock options



Eva Klasén

Eva Klasén joined Atlas Copco Group in 2000 as Assistant Corporate Counsel and has since held several positions in the legal functions in both Sweden and China. She has supported several M&A projects, setting up the legal department in China and also served as 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
884 class B shares
149 341 employee stock options



Cecilia Sandberg

Cecilia Sandberg began her career as a Human Resources consultant for a travel agency. From 1999 to 2007, she held various 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 starting 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
1 730 class B shares
270 550 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 to 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 being 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
148 813 employee stock options



Marcus Hvied

Marcus Hvied was IT Director Global IT Shared Services at Assa Abloy before joining 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]
4 800 class A shares
132 664 employee stock options

[1] Holdings as per year end 2025, including those held by related natural or legal persons. See note 23 for more information on the option programs and matching shares. All educational institutions and companies are based in Sweden, unless otherwise indicated.

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Internal control over financial and sustainability reporting

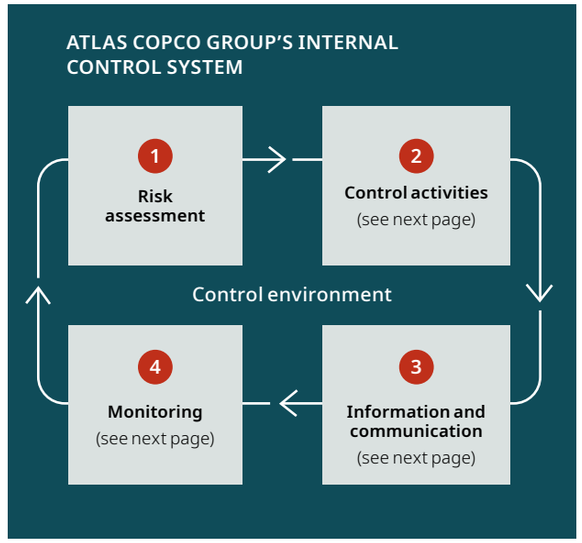
This section includes a description of Atlas Copco Group's system of internal controls over financial reporting in accordance with the requirements set forth in the Swedish Code of Corporate Governance and as stipulated by the Swedish Companies Act.

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. Risks related to sustainability reporting are described in the *Sustainability Statement*, page 40, and in the *Risk Management section*, page 86.

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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 75.
- 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.

Financial statements and notes

MSEK unless otherwise stated

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Consolidated income statement

For the year ended December 31 Amounts in MSEK	Note	2025	2024
Revenues	3	168 343	176 771
Cost of sales		–96 131	–101 027
Gross profit		**72 212**	**75 744**
Marketing expenses		–19 981	–20 349
Administrative expenses		–10 424	–10 753
Research and development expenses		–7 067	–7 065
Other operating income	6	661	1 078
Other operating expenses	6	–1 315	–534
Share of profit in associated companies and joint ventures	13	28	45
Operating profit	3, 4, 5, 15	**34 114**	**38 166**
Financial income	7	665	707
Financial expenses	7	–1 108	–1 073
Net financial items		**–443**	**–366**
Profit before tax		**33 671**	**37 800**
Income tax expense	8	–7 246	–8 006
Profit for the year		**26 425**	**29 794**
Profit attributable to:			
– owners of the parent		26 420	29 782
– non-controlling interests		5	12
Basic earnings per share, SEK	10	5.43	6.11
Diluted earnings per share, SEK	10	5.42	6.10

Consolidated statement of comprehensive income

For the year ended December 31 Amounts in MSEK	Note	2025	2024
Profit for the year		**26 425**	**29 794**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		333	218
Income tax relating to items that will not be reclassified		–99	–57
		234	**161**
Items that may be reclassified subsequently to profit or loss			
Translation differences:			
– on foreign operations		–15 865	6 558
Hedge of net investments in foreign operations		974	–603
Income tax relating to items that may be reclassified		–327	203
		–15 218	**6 158**
Other comprehensive income for the year, net of tax	9	**–14 984**	**6 319**
Total comprehensive income for the year		**11 441**	**36 113**
Total comprehensive income attributable to:			
– owners of the parent		11 446	36 098
– non-controlling interests		–5	15

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Consolidated balance sheet

Amounts in MSEK	Note	Dec. 31, 2025	Dec. 31, 2024
ASSETS			
Non-current assets			
Intangible assets	11	77 078	77 107
Rental equipment	12	7 811	5 947
Other property, plant and equipment	12	18 349	17 745
Right-of-use assets	22	7 345	7 133
Investments in associated companies and joint ventures	13	695	840
Other financial assets	14	1 885	1 663
Other receivables		16	17
Deferred tax assets	8	2 257	2 575
Total non-current assets		**115 436**	**113 027**
Current assets			
Inventories	15	26 659	29 012
Trade receivables	16	29 891	33 817
Income tax receivables		2 497	958
Other receivables	17	11 654	12 322
Other financial assets	14	606	434
Cash and cash equivalents	18	15 523	18 968
Assets classified as held for sale	19	188	–
Total current assets		**87 018**	**95 511**
TOTAL ASSETS		**202 454**	**208 538**

Amounts in MSEK	Note	Dec. 31, 2025	Dec. 31, 2024
EQUITY	Page 106		
Share capital		786	786
Other paid-in capital		10 164	9 853
Reserves		810	16 018
Retained earnings		98 446	87 043
Total equity attributable to owners of the parent		**110 206**	**113 700**
Non-controlling interests		177	60
TOTAL EQUITY		**110 383**	**113 760**
LIABILITIES			
Non-current liabilities			
Borrowings	21	28 428	31 688
Post-employment benefits	23	1 883	2 740
Other liabilities		1 020	676
Provisions	25	1 794	1 643
Deferred tax liabilities	8	2 940	2 616
Total non-current liabilities		**36 065**	**39 363**
Current liabilities			
Borrowings	21	6 471	3 076
Trade payables	21	16 389	16 788
Income tax liabilities		1 908	2 463
Other liabilities	24	28 886	30 339
Provisions	25	2 352	2 749
Total current liabilities		**56 006**	**55 415**
TOTAL EQUITY AND LIABILITIES		**202 454**	**208 538**

Information concerning assets pledged and contingent liabilities is disclosed in note 26.

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Consolidated statement of changes in equity

2025	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	9 853	8	16 010	87 043	113 700	60	113 760
Profit for the year	–	–	–	–	26 420	26 420	5	26 425
Other comprehensive income for the year	–	–	–	–15 208	234	–14 974	–10	–14 984
Total comprehensive income for the year	**–**	**–**	**–**	**–15 208**	**26 654**	**11 446**	**–5**	**11 441**
Dividend	–	–	–	–	–14 606	–14 606	–4	–14 610
Acquisition of series A shares	–	–	–	–	–938	–938	–	–938
Divestment of series A shares	–	311	–	–	543	854	–	854
Change of non-controlling interests	–	–	–	–	–	–	126	126
Share-based payment, equity settled:								
– expense during the year	–	–	–	–	154	154	–	154
– exercise option	–	–	–	–	–394	–394	–	–394
– related tax	–	–	–	–	–10	–10	–	–10
Closing balance, Dec. 31	**786**	**10 164**	**8**	**802**	**98 446**	**110 206**	**177**	**110 383**

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**

Additional information concerning equity is disclosed in note 20.

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Consolidated statement of cash flows

For the year ended December 31 Amounts in MSEK	Note	2025	2024
Cash flows from operating activities			
Operating profit		34 114	38 166
Adjustments for:			
Depreciation, amortization and impairment	11, 12, 22	9 529	8 785
Capital gain/loss and other non-cash items		–294	148
Operating cash surplus		**43 349**	**47 099**
Net financial items received/paid		–527	151
Taxes paid		–9 408	–9 470
Pension funding and payment of pension to employees		–517	–517
Cash flow before change in working capital		**32 897**	**37 263**
Change in:			
Inventories		–340	2 423
Operating receivables		851	544
Operating liabilities		1 107	–899
Change in working capital		**1 618**	**2 068**
Increase in rental equipment		–2 032	–2 526
Sale of rental equipment		83	82
Net cash from operating activities		**32 566**	**36 887**

For the year ended December 31 Amounts in MSEK	Note	2025	2024
Cash flows from investing activities			
Investments in other property, plant and equipment	12	–4 284	–4 236
Sale of other property, plant and equipment		165	74
Investments in intangible assets	11	–1 903	–1 788
Acquisition of subsidiaries	2	–11 560	–7 424
Investment in other financial assets, net		–38	52
Net cash from investing activities		**–17 620**	**–13 322**
Cash flows from financing activities			
Ordinary dividend		–14 606	–13 647
Dividend paid to non-controlling interest		–4	–5
Acquisition of non-controlling interest		4	–19
Repurchase of own shares		–938	–898
Divestment of own shares		854	943
Borrowings		4 170	376
Repayment of borrowings		–3 756	–1 296
Settlement of CSA [1]		–64	552
Payment of lease liabilities	22	–2 027	–1 870
Net cash from financing activities		**–16 367**	**–15 864**
Net cash flow for the year		**–1 421**	**7 701**
Cash and cash equivalents, Jan. 1		18 968	10 887
Net cash flow for the year		–1 421	7 701
Exchange-rate difference in cash and cash equivalents		–2 024	380
Cash and cash equivalents, Dec. 31	18	**15 523**	**18 968**

[1] Credit Support Annex, see note 27.

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1. Information of material accounting principles, key sources of uncertainty in estimates and judgements

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 17, 2026. The balance sheets and income statements are subject to approval by the Annual General Meeting of the shareholders on April 28, 2026.

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 27.

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 108. 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 22.

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 21.

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 25.

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 23 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 23 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 27.

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

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2). For assets that are considered as credit impaired, allowance for credit losses will continue to capture the lifetime expected credit losses (stage 3). 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 21 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 2025

The following new or amended IFRS Accounting Standards have been applied by the Group from 2025 and have not had any impact on the Group.

- Lack of Exchangeability (Amendments to IAS 21)

New or amended accounting standards effective after 2025

The following IFRS Accounting Standards, interpretations, and amendments have been issued but were not effective as of December 31, 2025, and in some cases have not been adopted by the EU. The Group has not applied the new standards, interpretations, or amendments.

- 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)
- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)
- 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 published tentative agenda decision issued by the IFRS Interpretations Committee (IFRIC) at its meeting in September, 2025, Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset), is closely followed and may impact the implementation of IFRS 18.

The current assessment of all the other new issued standards, interpretations and amendments effective after 2025 is that they are not expected to have any or only limited 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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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 22 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 27.

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 23 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 25.

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 2025 and 2024:

Acquisition date		Country/Area	Business area	Revenues [1]	Number of employees [1]
2025 Nov. 10	Anglian Compressors and Equipment Limited ("Anglian")	United Kingdom	Compressor Technique	[2]	28
2025 Nov. 5	Engineering Automation Systems GmbH ("EAS")	Germany	Compressor Technique	30	18
2025 Nov. 4	MKG Equipamentos Ltda. ("MKG")	Brazil	Compressor Technique	90	30
2025 Oct. 14	Northern Compressed Air Ltd., ("Northern Compressed Air")	United Kingdom	Compressor Technique	[2]	15
2025 Oct. 8	RM Boggs Inc. ("RM Boggs")	U.S.A.	Compressor Technique	[2]	3
2025 Oct. 2	National Tank & Equipment, LLC ("NTE")	U.S.A.	Power Technique	2 100	349
2025 Oct. 2	CRI-MAN S.p.A., ("CRI-MAN")	Italy	Power Technique	342	85
2025 Oct. 1	SUTO iTEC ("SUTO")	Hong Kong	Compressor Technique	176	136
2025 Sep. 8	Casa dei Compressori S.r.l. ("Casa dei Compressori")	Italy	Compressor Technique	[2]	17
2025 Sep. 2	Shanghai Shareway Environment Technology Co., Ltd. ("Shareway Environmental Technology")	China	Vacuum Technique	926	320
2025 Aug. 5	Itsab AB ("Itsab")	Sweden	Compressor Technique and Power Technique	[2]	21
2025 Aug. 4	New Star Technology (Suzhou) Co. Ltd. ("New Star Technology")	China	Vacuum Technique	73	38
2025 Jul. 9	Talleres Haizea S.L. ("Haizea")	Spain	Compressor Technique	51	16
2025 Jul. 4	Arizaga Bastarrica y Compañia S.A. ("ABC Compressors")	Spain	Compressor Technique	961	319
2025 Jun. 18	Kyungwon Machinery Industry Co., Ltd. ("Kyungwon")	South Korea	Compressor Technique	465	126
2025 Jun. 13	Air Mac Inc. ("Air Mac")	U.S.A.	Compressor Technique	184	40
2025 May 2	Clearpro Construction Water Solutions Pty Ltd ("Clearpro")	Australia	Power Technique	42	12
2025 Apr. 9	Powered Compressors and Supplies ("PCS")	U.S.A.	Compressor Technique	[2]	12
2025 Apr. 1	Heide Pumpen GmbH ("Heide Pumpen")	Germany	Power Technique	[2]	42
2025 Mar. 21	MSS Nitrogen Ltd. ("MSS Nitrogen")	United Kingdom	Compressor Technique	238	44
2025 Mar. 11	Neadvance Machine Vision, S.A. ("Neadvance")	Portugal	Industrial Technique	29	41
2025 Mar. 4	Masterfilter NV ("Masterfilter")	Belgium	Compressor Technique	30	3
2025 Feb. 5	IMOCOM S.A.	Colombia	Compressor Technique	47	36
2025 Feb. 5	Maquinarias y Tecnologías S.A.S. ("Maq&Tec")	Colombia	Compressor Technique	14	13
2025 Jan. 29	Dr. Weigel Anlagenbau GmbH	Germany	Compressor Technique	[2]	45
2025 Jan. 10	Medi-teknique Ltd. ("Medi-teknique")	United Kingdom	Compressor Technique	42	13
2025 Jan. 9	JetCan Engineering Sdn Bhd ("JetCan")	Malaysia	Compressor Technique	[2]	24
2025 Jan. 7	V.O.L. Industries	Canada	Compressor Technique	35	2
2025 Jan. 7	Trident Pneumatics Pvt. Ltd. ("Trident")	India	Compressor Technique	134	113
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

[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 the exception of the acquisition of Shanghai Shareway Environment Technology Co., Ltd. where 70% of the shares were acquired and SUTO iTEC where the acquisition included 60–70% respectively of the shares in three of the subsidiaries. As part of the acquisition of Shareway Environmental Technology, the Group entered into an agreement that includes a put option over 10% and a call option over 30% of the remaining shares held by owners with non-controlling interest.

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 27. 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 2024 are included in the following tables.

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The following summarizes the acquisitions during 2025 and 2024, continued

Acquisition date		Country/Area	Business area	Revenues [1]	Number of employees [1]
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

[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	
	2025	**2024**
Intangible assets	1 667	739
Property, plant and equipment [1]	638	119
Other assets	1 263	436
Cash and cash equivalents	662	90
Interest-bearing liabilities and borrowings	–261	–110
Other liabilities and provisions	–1 010	–410
Net identifiable assets	**2 959**	**864**
Non-controlling interests	–4	–
Goodwill	1 455	664
Total consideration	**4 410**	**1 528**
Deferred consideration	–385	10
Cash and cash equivalents acquired	–662	–90
Net cash outflow	**3 363**	**1 448**

[1] Includes right-of-use assets.

In January, the Compressor Technique business area acquired Trident Pneumatics Pvt. Ltd., an Indian manufacturer of compressed air treatment and on-site gas generation. The company offers a comprehensive product range consisting of compressed air dryers, filters, condensate drains, and on-site gas generators. With this acquisition, Atlas Copco Group expands its presence on the Indian market. By adding the Trident brand to Atlas Copco Group's product portfolio, its offering within air treatment and on-site gas generation strengthened. Intangible assets of 84 and goodwill of 185 were recorded on the purchase. The goodwill is not deductible for tax purposes.

Additionally in January, Medi-teknique Ltd., a British company that provides medical gas maintenance and service, was acquired. The company provides planned preventative maintenance contracts, servicing of medical gas pipeline systems and installation of associated replacement equipment. This acquisition will expand Atlas Copco Group's regional coverage and grow its aftermarket and installation presence, which means that Atlas Copco Group can provide even better service to its customers. Intangible assets of 43 and goodwill of 32 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In February, the compressed air business unit of Colombian industrial company IMOCOM S.A., was acquired. With this acquisition Atlas Copco Group strengthens its market presence and footprint across Colombia for the compressor business. Intangible assets of 16 were recorded on the purchase.

In March, Masterfilter NV, a Belgian provider of filtration solutions for liquids and gases, was acquired. This acquisition will expand Atlas Copco Group's presence in Belgium and increase its product offering to the food and beverage as well as chemical industries in western Europe. Intangible assets of 43 were recorded on the purchase.

Additionally in March, MSS Nitrogen Ltd. and three connected companies (collectively "MSS Nitrogen"), a UK-based manufacturer of gas generation systems, was acquired. MSS Nitrogen specializes in the design and manufacturing of onsite gas generation systems, gas mixers and filtration for laser cutting applications. This acquisition further enhances the solutions Atlas Copco Group can provide to its customers in the laser cutting industry and

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enlarges its portfolio of on-site gas generation. Intangible assets of 267 and goodwill of 418 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In June, the compressed air business of Air Mac Inc., located in USA, was acquired. The compressed air business of Air Mac offers sales and service of compressors and blowers to commercial, industrial and municipal customers. With this addition to the business, Atlas Copco Group can further strengthen its market presence in the region to the benefit of its customers. Intangible assets of 59 were recorded on the purchase.

Additionally in June, the acquisition of Kyungwon Machinery Industry Co., Ltd., a Korean manufacturer of oil-injected and oil-free screw air compressors as well as oil-free scroll air compressors, was completed. The company's product portfolio includes compressed air and air treatment solutions. Kyungwon is a well-known brand, and with the company's technology, Atlas Copco Group can further enhance its offerings. Intangible assets of 168 and goodwill of 137 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In July, the acquisition of Arizaga Bastarrica y Compañia S.A. ("ABC Compressors"), a compressor manufacturer headquartered in Spain, was completed. The company produces reciprocating compressors for gas and air compression, used in several customer segments and applications. With this acquisition Atlas Copco Group adds an innovative technology which will enhance its offering within gas and air compression. Intangible assets of 392 and goodwill of 347 were recorded on the purchase. The goodwill is not deductible for tax purposes.

Additionally in July, Spanish Talleres Haizea S.L. ("Haizea") was acquired. The company focuses on service, spare parts sales and energy efficiency optimization. With this acquisition, Atlas Copco Group will be able to offer its customers an even better service offering, particularly in the high-pressure compressor service business. Moreover, the acquisition will allow Atlas Copco Group to reach a wide range of customers to carry out energy audits to improve energy saving in their factories, as well as increase opportunities in the refurbishment and replacements markets. Intangible assets of 49 were recorded on the purchase.

In October, SUTO iTEC ("SUTO"), a compressed air and gas measurement company headquartered in Hong Kong, was acquired. SUTO specializes in providing measurement and monitoring solutions for compressed air and gases. The company's solutions include flow, power and dew point meters, as well as leak detectors and compressed air purity analyzers. With the company's expertise, Atlas Copco Group will be able to provide its customers with optimized air quality and improved energy efficiencies in their compressed air installations. Intangible assets of 93 and goodwill of 68 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In November, MKG Equipamentos Ltda. ("MKG"), a manufacturer of process filtration solutions in Brazil, was acquired. MKG designs, manufactures and distributes industrial process filtration solutions such as strainers, cartridges, housings, self-cleaning filters and mixers. With this acquisition Atlas Copco Group is adding advanced filtration technologies to its portfolio and increasing its presence in the region. Intangible assets of 28 and goodwill of 48 were recorded on the purchase. The goodwill is not deductible for tax purposes.

Additionally in November, Engineering Automation Systems GmbH ("EAS"), a German engineering process automation company, was acquired. EAS provides highly specialized software supporting the engineering and automation of CPQ (configure, price, quote) solutions. CPQ is primarily used for complex, custom-engineered, process-critical solutions (including compressors) and any application where there is a need for speed, accuracy, and efficiency in generating proposals and managing sales processes. With the company's expertise, Atlas Copco Group will further enhance its project quoting processes to the benefit of current and future customers. Intangible assets of 62 and goodwill of 130 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In addition, the business area acquired ten distributors during the year. Northern Compressed Air Ltd., and Anglian Compressors and Equipment Limited, are based in the United Kingdom. The compressor business of Jet-Can Engineering Sdn Bhd, is based in Malaysia and the compressor distributor business of Maquinarias y Tecnologías S.A.S. ("Maq&Tec") is based in Colombia. In the USA, the compressed air business of the distributor Powered Compressors and Supplies ("PCS") and the compressor business of RM Boggs Inc., were acquired. Finally, V.O.L. Industries, based in Canada, German Dr. Weigel Anlagenbau GmbH, Swedish Itsab AB and Italian Casa dei Compressori S.r.l. were acquired. The acquisitions are expected to increase Atlas Copco Group's presence in their respective markets. Intangible assets of 354 and goodwill of 102 were recorded on the purchase. The goodwill is not deductible for tax purposes.

Total consideration includes contingent consideration with a fair value of 217 related to the acquisitions of Masterfilter, MSS Nitrogen, EAS and MKG. For Masterfilter and MKG, contingent consideration to be paid is dependent on revenues during a period of up to two years after the acquisition. The fair value has been calculated based on expected revenues during this time period. For MSS Nitrogen, contingent consideration to be paid is dependent on revenues and certain profitability measures in the first two years after the acquisition. The fair value has been calculated based on the expected outcome for these measures during this time period. For EAS, contingent consideration to be paid is dependent on the orders received in the first two years after the acquisition. The fair value has been calculated based on the expected orders received during this time period.

Vacuum Technique	Recognized values	
	2025	**2024**
Intangible assets	727	511
Property, plant and equipment [1]	310	212
Other assets	569	328
Cash and cash equivalents	142	386
Interest-bearing liabilities and borrowings	–263	–207
Other liabilities and provisions	–978	–226
Net identifiable assets	**507**	**1 004**
Non-controlling interests	–118	–11
Goodwill	456	605
Total consideration	**845**	**1 598**
Deferred consideration	–269	–206
Cash and cash equivalents acquired	–142	–386
Net cash outflow	**434**	**1 006**

[1] Includes right-of-use assets.

In August, the Vacuum Technique business area acquired New Star Technology (Suzhou) Co. Ltd. ("New Star Technology"), a specialized Chinese abatement company. The company produces gas abatement equipment mainly using absorbers and catalyst technology. The company also produces and sells replacement absorber materials, and the main customer segment is within the semiconductor sector. With this acquisition Atlas Copco Group further enhances its local presence and local product offer in the field of abatement equipment. Atlas Copco Group also improves its capability to produce its own absorber materials locally in China. Intangible assets of 97 and goodwill of 108 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In September, the Vacuum Technique business area completed the acquisition of Shanghai Shareway Environment Technology Co., Ltd. Main product categories are abatement equipment to treat effluent gases from semiconductors and solar panel manufacturing. The company is active in the broad electronics technology industries including solar, semiconductor and flat panel display markets. With this acquisition Atlas Copco Group will further strengthen its abatement portfolio and related services for the semiconductor and solar panel customers in China. Intangible assets of 627 and goodwill of 363 were recorded on the purchase. The goodwill is not deductible for tax purposes.

Total consideration includes contingent consideration with a fair value of 174 related to the acquisitions of Shareway Environmental Technology. Contingent consideration to be paid is dependent on revenues and certain profitability measures during the first three years after the acquisition. The fair value has been calculated based on expected revenues and profitability during this time period.

Industrial Technique	Recognized values	
	2025	**2024**
Intangible assets	24	459
Property, plant and equipment [1]	17	163
Other assets	12	386
Cash and cash equivalents	2	160
Interest-bearing liabilities and borrowings	–29	–108
Other liabilities and provisions	7	–212
Net identifiable assets	**33**	**848**
Goodwill	23	518
Total consideration	**56**	**1 366**
Deferred consideration	102	–184
Cash and cash equivalents acquired	–2	–160
Net cash outflow	**156**	**1 022**

[1] Includes right-of-use assets.

In March, the Industrial Technique business area acquired Neadvance Machine Vision, S.A. ("Neadvance"), a Portuguese software company for automation solutions. Neadvance offers solutions for quality control and integrated vision systems to automate production lines within the industry. With this acquisition Atlas Copco Group is accelerating its capability for smart integrated assembly. Intangible assets of 24 and goodwill of 40 were recorded on the purchase. The goodwill is not deductible for tax purposes.

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Power Technique	Recognized values	
	2025	2024
Intangible assets	2 661	2 014
Property, plant and equipment [1]	2 517	829
Other assets	909	574
Cash and cash equivalents	242	185
Interest-bearing liabilities and borrowings	–1 330	–475
Other liabilities and provisions	–351	–864
Net identifiable assets	**4 648**	**2 263**
Goodwill	3 140	1 875
Total consideration	**7 788**	**4 138**
Deferred consideration	61	–5
Cash and cash equivalents acquired	–242	–185
Net cash outflow	**7 607**	**3 948**

[1] Includes right-of-use assets.

In May, the Power Technique business area acquired Clearpro Construction Water Solutions Pty Ltd ("Clearpro"), an Australian specialty water treatment rental company. The company provides specialized mobile water treatment solutions for dewatering projects and primarily has customers within infrastructure construction, general industry and agriculture. By combining specialist water treatment knowledge, in-house design and packaging capability with on-site dewatering expertise, Clearpro is an appreciated supplier of temporary mobile water treatment solutions. Intangible assets of 26 and goodwill of 38 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In October, the acquisition of CRI-MAN S.p.A., an Italian pump manufacturer, was completed. The company manufactures and sells chopper pumps, separators, and mixers for anaerobic flow, processing slurry in biogas for domestic and industrial wastewater treatment plants. Main customers can be found within the biogas and wastewater industries. With this acquisition Atlas Copco Group is further adding complementary technology to its existing industrial pump portfolio which will benefit its current customers and provide additional opportunities for growth. Intangible assets of 262 and goodwill of 773 were recorded on the purchase. The goodwill is not deductible for tax purposes.

Additionally in October, the acquisition of National Tank & Equipment, LLC ("NTE"), an American specialty rental company, was completed. NTE is a specialty rental provider of fluid transfer and storage solutions. NTE's rental services and capabilities include the design of engineered fluid-transfer solutions (pumps and accessories), fluid storage solutions (tanks, containers and ancillary equipment) and basic water filtration. With this acquisition Atlas Copco Group is entering into the specialty dewatering market in the USA, and is further extending the portfolio of specialty rental solutions Atlas Copco Group can offer to its customers. Intangible assets of 2 297 and goodwill of 2 239 were recorded on the purchase. The goodwill is not deductible for tax purposes.

In addition, the business area acquired two distributors during the year; Heide Pumpen GmbH, based in Germany and Itsab AB, based in Sweden. The acquisitions are expected to increase Atlas Copco Group's presence in their respective markets. In total, intangible assets of 57 and goodwill of 72 were recorded on the purchases. The goodwill is not deductible for tax purposes.

Total fair value of acquired assets and liabilities	Group recognized values	
	2025	2024
Intangible assets	5 079	3 723
Property, plant and equipment [1]	3 482	1 323
Other non-current assets	86	4
Inventories	1 136	751
Trade receivables [2]	1 264	760
Other current assets	267	209
Cash and cash equivalents	1 048	821
Interest-bearing liabilities and borrowings	–1 883	–900
Other liabilities and provisions	–1 775	–805
Deferred tax assets/liabilities, net	–557	–907
Net identifiable assets	**8 147**	**4 979**
Non-controlling interests	–122	–11
Goodwill	5 074	3 662
Total consideration	**13 099**	**8 630**
Deferred consideration	–491	–385
Cash and cash equivalents acquired	–1 048	–821
Net cash outflow	**11 560**	**7 424**

[1] Includes right-of-use assets.

[2] The gross amount is 1 459 (786) of which 195 (26) 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 13 099 (8 630). Deferred consideration includes both deferred consideration not yet paid for acquisitions made in 2025 and settlement of deferred consideration for acquisitions made in prior years. For all acquisitions, the net cash outflow totaled 11 560 (7 424) after deducting cash and cash equivalents acquired of 1 048 (821).

Acquisition-related costs amounted to 104 (76) and were included in the "Administrative expenses". Costs related to acquisitions finalized in 2025 were included in the income statements for 2025 and 2024.

Contribution from businesses acquired in 2025 and 2024 by business area	Compressor Technique		Vacuum Technique		Industrial Technique		Power Technique		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Contribution from date of control										
Revenues	1 408	552	358	323	7	52	794	998	2 567	1 925
Operating profit	60	–37	5	14	–17	–38	113	22	161	–39
Profit for the year									128	–40
Contribution if the acquisition had occurred on Jan. 1										
Revenues	2 667	1 193	796	610	8	523	2 842	1 558	6 313	3 884
Operating profit	169	–20	–25	56	–18	87	355	194	481	317
Profit for the year									368	219

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3. Segment information

2025	Compressor Technique	Vacuum Technique	Industrial Technique	Power Technique	Common Group functions	Eliminations	Group
Revenues from external customers	76 513	36 700	26 313	28 817	–	–	168 343
Inter-segment revenues	627	27	71	155	–	–880	–
Total revenues	**77 140**	**36 727**	**26 384**	**28 972**	**–**	**–880**	**168 343**
– of which equipment	*57%*	*71%*	*72%*	*53%*	–	–	*62%*
– of which service [1]	*43%*	*29%*	*28%*	*47%*	–	–	*38%*
Operating profit	**19 083**	**6 765**	**4 692**	**4 842**	**–1 256**	**–12**	**34 114**
– of which share of profit in associated companies and joint ventures	–	*27*	*1*	–	–	–	*28*
Net financial items							–443
Income tax expense							–7 246
Profit for the year							**26 425**
Non-cash expenses							
Depreciation/amortization	2 466	2 254	1 604	2 726	297	–41	9 306
Impairment	14	153	82	2	–	–	251
Other non-cash expenses	6	–25	51	98	–591	–	–461
Segment assets	**50 866**	**47 020**	**33 404**	**45 725**	**3 538**	**–1 257**	**179 296**
– of which goodwill	*8 568*	*14 452*	*14 685*	*13 535*	–	–	*51 240*
Investments in associated companies and joint ventures	2	582	111	–	–	–	695
Unallocated assets							22 463
Total assets	**50 868**	**47 602**	**33 515**	**45 725**	**3 538**	**–1 257**	**202 454**
Segment liabilities	**26 353**	**9 087**	**6 745**	**6 151**	**2 972**	**–1 153**	**50 155**
Unallocated liabilities							41 916
Total liabilities	**26 353**	**9 087**	**6 745**	**6 151**	**2 972**	**–1 153**	**92 071**
Capital expenditures							
Property, plant and equipment	2 723	1 962	866	2 799	650	–38	8 962
– of which right-of-use assets	*1 118*	*461*	*323*	*376*	*365*	–	*2 643*
Intangible assets	247	734	493	315	114	–	1 903
Total capital expenditures	**2 970**	**2 696**	**1 359**	**3 114**	**764**	**–38**	**10 865**
Goodwill acquired	1 455	456	23	3 140	–	–	5 074

[1] Including spare parts, consumables, accessories and rental.

2025	Compressor Technique	Vacuum Technique	Industrial Technique	Power Technique	Common Group functions	Eliminations	Group
Items affecting comparability in Operating profit	–	–384 [1]	–314 [2]	–	–102 [3]	–	–800

[1] Refers to restructuring costs of total –384.
[2] Refers to restructuring costs of total –314.
[3] Refers to a change in provision for share-related long-term incentive programs of total –102.

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3. Segment information, continued

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

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 18–32 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	
		2025	2024	2025	2024
North America	U.S.A.	36 960	41 036	23 873	19 673
	Other countries	6 472	6 924	2 305	2 476
		43 432	**47 960**	**26 178**	**22 149**
South America	Brazil	4 977	4 944	1 297	1 143
	Other countries	2 752	2 656	358	331
		7 729	**7 600**	**1 655**	**1 474**
Europe	Belgium	1 699	1 636	5 708	5 119
	France	4 888	5 373	667	756
	Germany	9 723	9 957	32 624	34 933
	Italy	4 325	4 247	3 479	2 602
	Sweden	2 363	2 356	1 930	1 855
	United Kingdom	4 468	4 675	14 500	16 309
	Other countries	19 231	20 726	6 472	5 962
		46 697	**48 970**	**65 380**	**67 536**
Africa/Middle East	South Africa	855	908	338	375
	Other countries	8 586	7 838	649	660
		9 441	**8 746**	**987**	**1 035**
Asia/Oceania	Australia	3 100	3 676	3 286	3 768
	Greater China	31 917	33 430	6 712	5 412
	India	6 963	6 874	914	697
	Japan	3 000	3 173	636	701
	South Korea	8 027	8 268	3 443	3 591
	Other countries	8 037	8 074	1 392	1 569
		61 044	**63 495**	**16 383**	**15 738**
Total		**168 343**	**176 771**	**110 583**	**107 932**

Geographic distribution 2025	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	25	21	20	35	34	26	28	26	26
South America	6	6	–	1	3	3	7	7	5	4
Europe	30	30	15	14	33	34	33	32	27	28
Africa/Middle East	9	8	1	1	2	2	9	9	6	6
Asia/Oceania	30	31	63	64	27	27	25	24	36	36
2024										
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

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3. Segment information, continued

Quarterly data, Revenues by business area

Revenues	2025				2024			
	1	2	3	4	1	2	3	4
Compressor Technique	19 330	19 119	19 151	19 540	18 710	20 136	19 031	20 382
– of which external	*19 151*	*18 973*	*19 007*	*19 382*	*18 507*	*19 905*	*18 819*	*20 202*
– of which internal	*179*	*146*	*144*	*158*	*203*	*231*	*212*	*180*
Vacuum Technique	9 527	8 982	9 193	9 025	9 719	10 089	10 444	10 189
– of which external	*9 521*	*8 975*	*9 186*	*9 018*	*9 711*	*10 089*	*10 439*	*10 180*
– of which internal	*6*	*7*	*7*	*7*	*8*	*–*	*5*	*9*
Industrial Technique	6 943	6 118	6 515	6 808	7 514	7 471	6 832	7 705
– of which external	*6 926*	*6 101*	*6 494*	*6 792*	*7 492*	*7 460*	*6 821*	*7 683*
– of which internal	*17*	*17*	*21*	*16*	*22*	*11*	*11*	*22*
Power Technique	7 169	7 196	6 979	7 628	7 202	7 391	7 072	7 957
– of which external	*7 132*	*7 161*	*6 934*	*7 590*	*7 165*	*7 349*	*7 026*	*7 923*
– of which internal	*37*	*35*	*45*	*38*	*37*	*42*	*46*	*34*
Common Group functions/eliminations	–239	–205	–217	–219	–270	–284	–274	–245
Total	**42 730**	**41 210**	**41 621**	**42 782**	**42 875**	**44 803**	**43 105**	**45 988**

Quarterly data, Operating profit by business area

Operating profit	2025				2024			
	1	2	3	4	1	2	3	4
Compressor Technique	4 711	4 776	4 844	4 752	4 642	4 990	4 974	5 110
in % of revenues	*24.4%*	*25.0%*	*25.3%*	*24.3%*	*24.8%*	*24.8%*	*26.1%*	*25.1%*
Vacuum Technique	1 638	1 700	1 697	1 730	2 119	2 027	2 014	2 381
in % of revenues	*17.2%*	*18.9%*	*18.5%*	*19.2%*	*21.8%*	*20.1%*	*19.3%*	*23.4%*
Industrial Technique	1 388	1 047	1 173	1 084	1 649	1 557	1 364	1 496
in % of revenues	*20.0%*	*17.1%*	*18.0%*	*15.9%*	*21.9%*	*20.8%*	*20.0%*	*19.4%*
Power Technique	1 205	1 227	1 187	1 223	1 393	1 406	1 274	1 415
in % of revenues	*16.8%*	*17.1%*	*17.0%*	*16.0%*	*19.3%*	*19.0%*	*18.0%*	*17.8%*
Common Group functions/eliminations	–337	–257	–355	–319	–458	–514	–289	–384
Operating profit	**8 605**	**8 493**	**8 546**	**8 470**	**9 345**	**9 466**	**9 337**	**10 018**
in % of revenues	*20.1%*	*20.6%*	*20.5%*	*19.8%*	*21.8%*	*21.1%*	*21.7%*	*21.8%*
Net financial items	–135	–86	–90	–132	16	–192	–153	–37
Profit before tax	**8 470**	**8 407**	**8 456**	**8 338**	**9 361**	**9 274**	**9 184**	**9 981**
in % of revenues	*19.8%*	*20.4%*	*20.3%*	*19.5%*	*21.8%*	*20.7%*	*21.3%*	*21.7%*

4. Employees and personnel expenses

Average number of employees	2025			2024		
	Women	Men	Total	Women	Men	Total
Parent Company						
Sweden	88	47	135	85	41	126
Subsidiaries						
North America	1 867	6 695	8 562	1 871	6 696	8 567
South America	681	2 023	2 704	610	1 813	2 423
Europe	5 456	18 486	23 942	5 371	18 386	23 757
– of which Sweden	*393*	*1 193*	*1 586*	*386*	*1 168*	*1 554*
Africa/Middle East	320	1 204	1 524	291	1 163	1 454
Asia/Oceania	4 078	14 604	18 682	3 841	14 038	17 879
Total in subsidiaries	**12 402**	**43 012**	**55 414**	**11 984**	**42 096**	**54 080**
Total	**12 490**	**43 059**	**55 549**	**12 069**	**42 137**	**54 206**

For additional information regarding workforce profile, see the Sustainability report, pages 69–70.

Females in the Board of Directors and Group Management, %	Dec. 31, 2025	Dec. 31, 2024
Parent Company		
Board of Directors [1]	50	50
Group Management	30	30

[1] Which excludes President and CEO, includes employee representatives but excludes employee representatives' alternate members.

Remuneration and other benefits	Group	
	2025	2024
Salaries and other remuneration	36 563	37 626
Contractual pension benefits	1 806	1 939
Other social costs	6 610	6 696
Total	**44 979**	**46 261**
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

2025 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	1 888	1 950	12 627	602	4 440	3	4 443
Other members of the Board:							
Jumana Al-Sibai	612	633	4 096	–	1 245	–2	1 243
Johan Forssell	749	633	4 096	288	1 670	–119	1 551
Heléne Mellquist	612	633	4 096	288	1 533	–1	1 532
Anna Ohlsson-Leijon	612	633	4 096	595	1 840	–	1 840
Gordon Riske	612	633	4 096	134	1 379	–	1 379
Karin Rådström	612	633	4 096	–	1 245	–3	1 242
Peter Wallenberg Jr	612	633	4 096	134	1 379	–	1 379
Other members of the Board previous year	–	–	–	–	–	2	2
Employee representatives (4) [4]	84	–	–	–	84	–	84
Total	**6 393**	**6 381**	**41 299**	**2 041**	**14 815**	**–120**	**14 695**

[1] Refers to fees for membership in board committees.
[2] Refers to synthetic shares received in 2021–2025.
[3] Provision for synthetic shares as at December 31, 2025 amounted to MSEK 26 (25).
[4] Employee representatives receive compensation to prepare for their participation in board meetings.

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.

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4. Employees and personnel expenses, continued

2025 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 [1]	17 024	2 419	179	5 880	25 502	2 834	28 336
Other members of Group Management (9 positions)	38 696	5 239	3 770	10 652	58 357	10 625	68 982
Total	**55 720**	**7 658**	**3 949**	**16 532**	**83 859**	**13 459**	**97 318**
Total remuneration and other benefits to the Board and Group Management							**112 013**

[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 2025 to be paid in 2026, 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 2019–2025 and includes recognized costs due to change in stock price and vesting period, see also note 23. The cost should not be equated with the theoretical value at grant or vesting, nor the actual value realized upon exercise.

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 23. The cost should not be equated with the theoretical value at grant or vesting, nor the actual value realized upon exercise.

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 2025 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 2025 gross fee before tax, excluding other committee fees, in the form of synthetic shares (a variable cash remuneration linked to the share price) 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 2025. 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
Eight 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 2025
The board has three 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 and Hans Stråberg.
- Repurchase committee consisting of Anna Ohlsson-Leijon (Chair) and Hans Stråberg.

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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.
- 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. Non-financial criteria are part of the variable compensation for all members of Group Management. For 2025, the criteria has been to reduce the Group's CO2 emission in line with the Group's science-based targets, with a relative weighting of 10% of the maximum opportunity. 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 23.
- 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 23) as at December 31 are detailed below:

Stock options/matchning options as at Dec. 31, 2025 [1]

Grant Year	President and CEO	Other members of Group Management
2019	142 242	244 030
2020	–	16 683
2021	91 877	446 466
2022	82 872	448 600
2023	95 105	502 991
2024	278 904	446 429
2025 [2]	30 553	53 163
Total	**721 553**	**2 158 362**

[1] The numbers have been adjusted for the effect of the share split 2022. See note 23 for additional information.
[2] Estimated allotment for the 2025 stock option program.

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5. Remuneration to auditors

Audit fees and other services	2025	2024
Ernst & Young		
Audit fee	125	119
Audit activities other than the audit assignment	1	–
Other services, tax	3	4
Other services, other	2	4
Other audit firms		
Audit fee	15	13
Total	**146**	**140**

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 2025, Ernst & Young was re-elected as auditor for the Group up to and including the Annual General Meeting 2026.

6. Other operating income and expenses

Other operating income	2025	2024
Commissions received	33	27
Income from insurance operations	166	128
Capital gain on sale of property, plant and equipment	113	59
Exchange-rate differences, net	–	47
Other operating income	349	817 [1]
Total	**661**	**1 078**

Other operating expenses	2025	2024
Capital loss on sale of property, plant and equipment	–45	–64
Exchange-rate differences, net	–959	–
Other operating expenses	–311	–470 [1]
Total	**–1 315**	**–534**

[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 2024 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 44 979 (46 261) whereof expenses for post-employment benefits amounted to 1 806 (1 939). See note 4 for further details.

Government grants of 355 (371) 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 2025, amounted to 387 (288).

Included in the operating profit are exchange rate changes on payables and receivables.

Amortization, depreciation and impairment charge for the year amounted to 9 557 (8 813). See note 11, 12 and 22 for further details. Costs for research and development amounted to 7 067 (7 065).

7. Financial income and expenses

Financial income and expenses	2025	2024
Interest income:		
– cash and cash equivalents	600	660
Capital gain:		
– other assets	54	3
Change in fair value – other assets	11	44
Financial income	**665**	**707**
Interest expenses:		
– borrowings	–802	–838
– derivatives	–9	–8
– pension provisions, net	–49	–63
– deferred considerations	–22	–9
Change in fair value – other liabilities and borrowings	–10	–3
Foreign exchange loss, net	–206	–151
Impairment loss	–10	–1
Financial expenses	**–1 108**	**–1 073**
Financial expenses, net	**–443**	**–366**

Foreign exchange gain/loss, net includes foreign exchange gains of 809 (774) on financial assets at fair value through profit or loss and foreign exchange losses of –1 015 (–925) on other liabilities.

8. Taxes

Income tax expense	2025	2024
Current taxes	–7 602	–8 880
Deferred taxes	356	874
Total	**–7 246**	**–8 006**

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:

	2025	2024
Profit before tax	**33 671**	**37 800**
Weighted average tax based on national rates	–7 504	–8 071
in %	*22.3*	*21.4*
Tax effect of:		
– non-deductible expenses	–263	–346
– withholding and other taxes on dividends	–260	–610
– tax-exempt income	1 024	1 179
Adjustments from prior years:		
– current taxes	–61	56
– deferred taxes	–18	–7
Effects of tax losses/credits utilized	–9	6
Change in tax rate, deferred tax	210	–53
Tax losses not recognized	–167	–31
Other items	–198	–129
Income tax expense	**–7 246**	**–8 006**
Effective tax in %	21.5	21.2

The effective tax rate was 21.5% (21.2). Withholding and other taxes on dividends of –260 (–610) relate to provisions on retained earnings in countries where Atlas Copco Group incur withholding and other taxes on dividends. Tax-exempt income of 1 024 (1 179) 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 taxes includes the net from tax issues, tax disputes and also one-time positive tax effects in different countries and amounted to –61 (56).

In 2025, effects of income tax rate changes in deferred tax have affected the result with 210 (–53).

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 2025 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%. In the jurisdictions where the Pillar Two effective tax rates are below 15%, the Pillar Two income taxes 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	2025	2024
Opening balance net, Jan. 1	–41	–33
Business acquisitions	–557	–907
Charges to profit for the year	356	874
Tax on amounts recorded to other comprehensive income	–450	142
Tax related to equity settled share-based payment	–26	–21
Translation differences	35	–96
Closing balance net, Dec. 31	**–683**	**–41**

The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following:

Deferred tax assets and liabilities	2025			2024		
	Assets	Liabilities	Net balance	Assets	Liabilities	Net balance
Intangible assets	1 173	5 610	–4 437	973	6 044	–5 071
Property, plant and equipment [1]	373	1 722	–1 349	380	1 683	–1 303
Other financial assets	4	194	–190	19	189	–170
Inventories	2 474	47	2 427	3 072	55	3 017
Current receivables	296	200	96	295	320	–25
Operating liabilities	1 024	84	940	1 113	70	1 043
Provisions	578	11	567	531	12	519
Post-employment benefits	284	14	270	542	37	505
Borrowings [1]	1 113	17	1 096	1 355	16	1 339
Loss/credit carry-forwards	492	–	492	673	–	673
Other items [2]	29	624	–595	3	571	–568
Deferred tax assets/liabilities	**7 840**	**8 523**	**–683**	**8 956**	**8 997**	**–41**
Netting of assets/liabilities	–5 583	–5 583	–	–6 381	–6 381	–
Net deferred tax balances	**2 257**	**2 940**	**–683**	**2 575**	**2 616**	**–41**

[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 3 741 (4 049), of which deferred tax assets were recognized for 1 822 (2 308). The tax value of reported tax loss carry-forwards totals 465 (659). 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:

	2025	2024
Expires after 1–2 years	6	2
Expires after 3–4 years	20	1
Expires after 5–6 years	76	22
No expiry date	1 817	1 716
Total	**1 919**	**1 741**

Changes in temporary differences during the year that are recognized in the income statement are attributable to the following:

	2025	2024
Intangible assets	791	533
Property, plant and equipment	–28	–94
Other financial assets	–25	1
Inventories	–398	78
Current receivables	84	23
Operating liabilities	–18	89
Provisions	114	–31
Post-employment benefits	–106	–44
Borrowings	126	133
Other items	–29	40
Changes due to temporary differences	**511**	**728**
Loss/credit carry-forwards	–155	146
Charges to profit for the year	**356**	**874**

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9. Other comprehensive income

Other comprehensive income for the year	2025			2024		
	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	333	–99	234	218	–57	161
Items that may be reclassified subsequently to profit or loss						
Translation differences:						
– on foreign operations	–15 855	–126	–15 981	6 555	79	6 634
Hedge of net investments in foreign operations	974	–201	773	–603	124	–479
Total other comprehensive income	**–14 548**	**–426**	**–14 974**	**6 170**	**146**	**6 316**
Attributable to non-controlling interests						
Translation differences on foreign operations	–10	–	–10	3	–	3
Total other comprehensive income	**–14 558**	**–426**	**–14 984**	**6 173**	**146**	**6 319**

10. Earnings per share

Amounts in SEK	Basic earnings per share		Diluted earnings per share	
	2025	2024	2025	2024
Earnings per share	5.43	6.11	5.42	6.10

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	2025	2024
Profit for the year	26 420	29 782

Average number of shares outstanding	2025	2024
Basic weighted average number of shares outstanding	4 868 825 033	4 873 635 218
Effect of employee stock options	4 186 021	8 018 677
Diluted weighted average number of shares outstanding	4 873 011 054	4 881 653 895

Potentially dilutive instruments

As of December 31, 2025, 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, 2024 and 2025 programs exceeded the average share price for series A shares, SEK 162.54 per share. These programs are therefore considered anti-dilutive and are 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 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 2025 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:

	2025		2024	
	Trademarks	Goodwill	Trademarks	Goodwill
Compressor Technique	–	8 568	–	8 149
Vacuum Technique	2 704	14 452	3 146	16 380
Industrial Technique	–	14 685	–	15 990
Power Technique	–	13 535	–	11 287
Total	**2 704**	**51 240**	**3 146**	**51 806**

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:

	2025			2024		
	Internally generated	Acquired	**Total**	Internally generated	Acquired	**Total**
Cost of sales	15	28	43	20	24	44
Marketing expenses	21	1 693	1 714	26	1 596	1 622
Administrative expenses	95	94	189	108	72	180
Research and development expenses	1 095	791	1 886	994	776	1 770
Total	**1 226**	**2 606**	**3 832**	**1 148**	**2 468**	**3 616**

Impairment charges on intangible assets totaled 172 (118), of which 0 (1) was classified as cost of sales, 172 (109) was classified as research and development expenses, and 0 (8) as administrative expenses. Of the impairment charges, 76 (70) 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					
2025	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	10 375	2 429	59	6 810	19 037	12 895	51 849	103 454
Investments	1 322	312	–	–	–	269	–	1 903
Business acquisitions	–	–	–	588	3 452	1 039	5 074	10 153
Disposals	–501	–39	–19	–1	–146	–100	–	–806
Reclassifications	–1	1	–	–	–	–38	–	–38
Translation differences	–725	–164	–3	–796	–2 140	–1 487	–5 644	–10 959
Closing balance, Dec. 31	**10 470**	**2 539**	**37**	**6 601**	**20 203**	**12 578**	**51 279**	**103 707**
Amortization and impairment losses								
Opening balance, Jan. 1	6 035	1 352	44	2 199	9 821	6 853	43	26 347
Amortization for the period	937	131	2	214	1 463	913	–	3 660
Impairment charge for the period	158	–	–	–	–	14	–	172
Disposals	–499	–38	–19	–1	–146	–100	–	–803
Reclassifications	–	–1	–	–	–	–13	–	–14
Translation differences	–394	–94	–3	–217	–1 228	–793	–4	–2 733
Closing balance, Dec. 31	**6 237**	**1 350**	**24**	**2 195**	**9 910**	**6 874**	**39**	**26 629**
Carrying amounts at Jan. 1	4 340	1 077	15	4 611	9 216	6 042	51 806	77 107
Carrying amounts at Dec. 31	**4 233**	**1 189**	**13**	**4 406**	**10 293**	**5 704**	**51 240**	**77 078**

	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**

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

2025	Buildings and land	Machinery and equipment	Construction in progress and advances	**Total**	Rental equipment
Cost					
Opening balance, Jan. 1	11 237	20 727	3 229	35 193	11 288
Investments	250	886	3 150	4 286	2 033
Business acquisitions	498	369	6	873	2 021
Disposals	–176	–990	–2	–1 168	–881
Reclassifications [1]	787	1 414	–2 839	–638	–124
Translation differences	–1 173	–2 038	–419	–3 630	–1 344
Closing balance, Dec. 31	**11 423**	**20 368**	**3 125**	**34 916**	**12 993**
Depreciation and impairment losses					
Opening balance, Jan. 1	4 021	13 427	–	17 448	5 341
Depreciation for the period	422	1 862	–	2 284	1 344
Impairment charge for the period	32	18	29	79	–
Disposals	–133	–933	–	–1 066	–799
Reclassifications [1]	–194	–309	–	–503	–86
Translation differences	–381	–1 292	–2	–1 675	–618
Closing balance, Dec. 31	**3 767**	**12 773**	**27**	**16 567**	**5 182**
Carrying amounts at Jan. 1	7 216	7 300	3 229	17 745	5 947
Carrying amounts at Dec. 31	**7 656**	**7 595**	**3 098**	**18 349**	**7 811**

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**

[1] Include property, plant and equipment that have been reclassified to assets held for sale, see Note 19.

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	2025	2024
Opening balance, Jan. 1	840	854
Acquisitions of associated companies	2	–
Dividends	–50	–44
Profit for the year after income tax	28	45
Translation differences	–125	–15
Closing balance, Dec. 31	**695**	**840**

The tables below are based on the most recent financial reporting available from associated companies and joint ventures.

2025 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	58	30	28	55	1	25	0
Reintube S.L.	Spain	12	8	4	17	0	47	0
SUTO iTEC (Thailand) Co. Ltd.	Thailand	4	1	3	1 [3]	1 [3]	49	2
Joint ventures								
Toku-Hanbai Group	Japan	359	136	223	755	22	50	111
Ulvac Cryogenics Inc.	Japan	879	293	586	589	53	50	582
Total								**695**

[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.
[3] From the date of acquisition.

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.

14. Other financial assets

The fair value of financial instruments under other financial assets corresponds to their carrying value.

	2025	2024
Non-current		
Pension and other similar benefit assets (note 23)	1 491	1 432
Derivatives at fair value through profit or loss	85	2
Financial assets at fair value through OCI	1	1
Financial assets at fair value through profit or loss	33	66
Financial assets measured at amortized cost:		
– lease receivables	34	56
– other financial receivables	241	106
Closing balance, Dec. 31	**1 885**	**1 663**
Current		
Financial assets at fair value through profit or loss	400	360
Financial assets measured at amortized cost:		
– lease receivables	13	17
– other financial receivables	193	57
Closing balance, Dec. 31	**606**	**434**

See note 22 for information on leases and note 27 for information on credit risk.

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15. Inventories

	2025	2024
Raw materials	4 412	4 896
Work in progress	5 909	7 464
Semi-finished goods	7 138	7 342
Finished goods	9 200	9 310
Closing balance, Dec. 31	**26 659**	**29 012**

Provisions for obsolescence and other write-downs of inventories recorded as cost of sales amounted to 885 (968). Reversals of write-downs which were recognized in earnings totaled 76 (46). Previous write-downs have been reversed as a result of improved market conditions in certain markets.

Inventories recognized as expense amounted to 67 566 (72 774).

16. Trade receivables

The fair value for trade receivables corresponds to their carrying value. Trade receivables are measured at amortized cost.

Expected credit losses	2025	2024
Opening balance, Jan. 1	1 296	1 078
Business acquisitions and divestments	195	26
Provisions recognized for potential losses	464	547
Amounts used for established losses	–198	–174
Release of unnecessary provisions	–313	–240
Translation differences	–151	59
Closing balance, Dec. 31	**1 293**	**1 296**

Trade receivables of 29 891 (33 817) are reported net of expected credit losses and other impairments amounting to 1 293 (1 296).

Expected credit losses and impairment losses recognized in the income statement totaled 134 (306).

For credit risk information, see note 27.

17. Other receivables

The fair value of financial instruments included in other receivables corresponds to their carrying value.

	2025	2024
Derivatives:		
– at fair value through profit or loss	33	76
Financial assets measured at amortized cost:		
– other receivables	3 867	4 514
– contract assets	6 061	6 218
Prepaid expenses	1 693	1 514
Closing balance, Dec. 31	**11 654**	**12 322**

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 27 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.

	2025	2024
Cash	6 506	7 100
Cash equivalents	9 017	11 868
Closing balance, Dec. 31	**15 523**	**18 968**

Cash and cash equivalents include cash in Russia, amounting to 140 (159), 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 2.98% (4.16). The committed, but unutilized, credit lines were MEUR 1 640 (1 640), which equaled to MSEK 17 709 (18 802).

See note 27 for additional information.

19. Asset held for sale

As of December 31, 2025, 188 (0) were recorded as "Assets held for sale". This includes assets related to a previous manufacturing facility in China within the Compressor Technique business area and a building in South Korea within the Vacuum Technique business area. The assets are expected to be sold during 2026 and are no longer depreciated.

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20. Equity

	2025			2024		
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	–47 864 891	–	–47 864 891	–47 838 434	–	–47 838 434
Total shares outstanding, Dec. 31	**3 309 711 493**	**1 560 876 032**	**4 870 587 525**	**3 309 737 950**	**1 560 876 032**	**4 870 613 982**

At December 31, 2025 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 2025 shows the actual number of shares repurchased and divested.

	Number of shares held by Atlas Copco						Cost value affecting equity	
Repurchases/Divestment of shares	**2025**	AGM mandate 2025, Apr.–Dec.	AGM mandate 2024, Jan.–Mar.	**2024**	AGM mandate 2024, Apr.–Dec.	AGM mandate 2023, Jan.–Mar.	**2025**	**2024**
Opening balance, Jan. 1	47 838 434			47 893 133			4 855	4 427
Repurchase of A shares	5 030 000	–	5 030 000	5 030 000	5 030 000	–	938	898
Divestment of A shares	–5 003 543	–2 620 181	–2 383 362	–5 084 699	–2 774 958	–2 309 741	–543	–470
Closing balance, Dec. 31	**47 864 891**			**47 838 434**			**5 250**	**4 855**
Percentage of shares outstanding	1%			1%				

The 2025 AGM approved some but not all requested mandate for the Board of Directors to repurchase, transfer and and sell series A shares on Nasdaq Stockholm in order to fulfill the obligations under the performance stock option plan and synthetic shares to Board members. Consequently, the Board of Directors has decided to hedge the performance stock option plan and the synthetic shares to Board members with a third-party share swap. The Board has decided to use only the 2025 AGM mandate below which relates to earlier decided performance stock option plan and synthetic shares to Board. The mandate is valid until the next AGM and allows:

- 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 29 300 000 series A shares in order to cover the obligations under the performance stock option plans 2018, 2019, 2020, 2021 and 2022.

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.

Repurchases and sales are subject to market conditions, regulatory restrictions, and the capital structure at any given time. During 2025, 5 030 000 series A shares were repurchased while 5 003 543 series A shares were divested in accordance with mandates granted by the 2024 and 2025 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 2019–2025 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 177 (60). During the first quarter of 2025, Atlas Copco Group founded Yifeng Gas Technology (Jiangsu) Co., Ltd. with a non-controlling interest of 28%. In the third quarter, the Group acquired 70% of Shanghai Shareway Environment Technology Co., Ltd. In the fourth quarter, the group acquired 65% of SUTO iTEC (Malaysia) Sdn. Bhd., 70% of SUTO iTEC Indonesia and 60% of SUTO iTEC Inc. Subsequent to these events there are 13 subsidiaries that have non-controlling interest. The non-controlling interests are not material to the Group.

Appropriation of profit
The Board of Directors proposes to the Annual General Meeting 2026, an ordinary dividend of SEK 3.00 (3.00) per share and an additional distribution of SEK 2.00 per share, totaling SEK 24 352 937 625 if shares held by the company on December 31, 2025 are excluded.

Retained earnings including reserve for fair value	147 880 754 770
Profit for the year	12 549 489 923
	160 430 244 693

The Board of Directors proposes that these earnings be appropriated as follows:	
To the shareholders, a dividend of SEK 5.00 per share	24 352 937 625
To be retained in the business	136 077 307 068
Total	**160 430 244 693**

The proposed dividend for 2024 amounted of SEK 3.00 per share, as approved by the AGM on April 29, 2025 was accordingly paid by Atlas Copco AB. Total dividend paid amounted to SEK 14 605 643 497.

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21. Borrowings and trade payables

	Maturity	Repurchased nominal amount	2025 Carrying amount	2025 Fair value	2024 Carrying amount	2024 Fair value
Non-current						
Medium Term Note Program MEUR 500	2026	MEUR 182	3 432	3 396	5 731	5 550
Medium Term Note Program MEUR 300	2029		3 229	2 948	3 425	3 052
Medium Term Note Program MEUR 500	2032		5 360	4 689	5 685	4 917
Medium Term Note Program MEUR 300	2035		3 143	3 227	–	–
Bilateral borrowings EIB MEUR 200	2027		2 160	2 099	2 293	2 185
Bilateral borrowings EIB MEUR 100	2028		1 080	1 032	1 146	1 076
Bilateral borrowings EIB MEUR 415	2030		4 481	4 576	4 758	4 869
Bilateral borrowings EIB MEUR 60	2030		648	662	688	704
Bilateral borrowings NIB MEUR 183	2031		1 976	2 001	2 098	2 117
Other bank loans			918	847	696	703
Less current portion of long-term borrowings			–3 675	–3 640	–280	–280
Total non-current bonds and loans			**22 752**	**21 837**	**26 240**	**24 893**
Lease liabilities			5 607	5 607	5 392	5 392
Other financial liabilities			69	69	56	56
Total non-current borrowings			**28 428**	**27 513**	**31 688**	**30 341**
Current						
Current portion of long-term borrowings			3 675	3 640	280	280
Short-term loans			1 028	1 028	1 034	1 034
Lease liabilities			1 768	1768	1 762	1 762
Total current borrowings			**6 471**	**6 436**	**3 076**	**3 076**
Closing balance, Dec. 31			**34 899**	**33 949**	**34 764**	**33 417**

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. During 2025, Atlas Copco AB reduced its external borrowings. In April, MEUR 182 of a MEUR 500 public bond with maturity August 2026 was repurchased from Deutsche Bank AG. See additional information about the Group's exposure to interest rate risk and foreign currency risk in note 27.

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 Moody's and Fitch with the long-/short-term rating A1/P1 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	2032	–
Credit-line	MEUR 1 000	2030	–
Equivalent in MSEK	**27 709**		

[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.

	2025			2024		
Currency	Local currency (millions)	MSEK	%	Local currency (millions)	MSEK	%
EUR	2 628	28 377	81	2 498	28 643	82
SEK	588	588	2	607	607	2
USD	218	1 999	6	202	2 222	6
Others		3 935	11	–	3 292	10
Total		**34 899**	**100**		**34 764**	**100**

The following table shows the maturity structure of the Group's borrowings and includes the effect of interest rate swaps.

Maturity	Fixed	Floating [1]	Carrying amount	Fair value
2026	6 337	134	6 471	6 436
2027	3 953	2	3 955	3 894
2028	2 356	1	2 357	2 314
2029	4 033	–	4 033	3 752
2030	551	5 129	5 680	5 789
2031	426	1 976	2 402	2 427
2032	5 696	–	5 696	5 025
2033	260	–	260	260
2034 and after	4 045	–	4 045	4 052
Total	**27 657**	**7 242**	**34 899**	**33 949**

[1] Floating interest in the table corresponds to borrowings with fixings shorter or equal to six months.

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21. Borrowings and trade payables, continued

2025		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	26 240	2 373	–	–	1 177	–64	–850	–596	–5 528	22 752
Lease liabilities	5 392	–	1 548	–93	495	76	–	–605	–1 206	5 607
Other financial liabilities	56	–1	–	–	22	1	–	–4	–5	69
Total non-current liabilities	**31 668**	**2 372**	**1 548**	**–93**	**1 694**	**13**	**–850**	**–1205**	**– 6 739**	**28 428**
Current										
Current portion of long-term borrowings	280	–1 960	–	–	13	–41	–123	–22	5 528	3 675
Short-term loans	1 025	2	–	–	112	1	–	–117	5	1 028
Lease liabilities	1 762	–2 213 [1]	1 089	–107	43	185	–	–197	1 206	1 768
Total current liabilities	**3 067**	**–4 171**	**1 089**	**–107**	**168**	**145**	**–123**	**–336**	**6 739**	**6 471**
Total	**34 775**	**–1 799**	**2 637**	**–200**	**1 862**	**158**	**–973**	**–1 541**	**–**	**34 899**

[1] Includes paid interest on lease liabilities.

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.

Cash flow from financing activities also includes net "Settlement of CSA" (Credit Support Annex) of –64 (552) which is not included in the tables above. In December 2025, the financial liability related to CSA amounted to 0 (9).

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	2025	2024
Presented within short-term borrowings	383	445
– of which suppliers have received payment	*325*	*416*
Presented within trade payables	3 111	3 235
– of which suppliers have received payment	*2 509*	*2 840*

Average range of payment due dates in days	2025	2024
Short-term borrowings that are part of the arrangement	240–300	240–300
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	60–120
Comparable trade payables that are not part of an arrangement	1–60	1–60

Changes in supply chain financing during the year	2025	2024
Opening balance, Jan. 1	3 680	4 925
Cash changes during the year	–3 907	–2 517
Non cash changes during the year [1]	3 965	1 112
Translation differences	–245	160
Closing balance, Dec. 31	3 493	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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22. 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, 2025	Buildings and land	Machinery and equipment	Rental equipment	Total
Cost				
Opening balance, Jan. 1	9 353	3 302	4	12 659
Additions	1 594	1 049	–	2 643
Business acquisitions	581	7	–	588
Deductions	–590	–615	–	–1 205
Reclassifications	1	–21	–	–20
Translation differences	–1 065	–334	–	–1 399
Closing balance, Dec. 31	**9 874**	**3 388**	**4**	**13 266**
Depreciation and impairment losses				
Opening balance, Jan. 1	4 039	1 484	3	5 526
Depreciation and impairment for the period	1 183	835	–	2 018
Deductions	–461	–550	–	–1 011
Reclassifications	1	–6	–	–5
Translation differences	–458	–150	1	–607
Closing balance, Dec. 31	**4 304**	**1 613**	**4**	**5 921**
Carrying amounts, Jan. 1	5 314	1 818	1	7 133
Carrying amounts, Dec. 31	**5 570**	**1 775**	–	**7 345**

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**

The following amounts have been recognized in profit or loss:

Leasing in income statement	2025	2024
Depreciation and impairment expense on right-of-use assets	–2 018	–1 855
Interest expense on lease liabilities	–263	–233
Expense relating to leases of low value assets	–87	–92
Expense relating to short-term leases	–155	–164
Expense relating to variable lease payments	–17	–18
Income from subleasing right-of-use assets	3	2
Total amount recognized in profit or loss	**–2 537**	**–2 360**

For cash outflows related to leases, the principal payment amounts to 2 027 (1 872) and the interest portion of lease payments to 186 (160). 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 21.

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 84 (115). For leases that have not yet commenced, the future cash outflow amounts to 110 (68).

For carrying amounts and movements of lease liabilities related to the right-of-use assets, see note 21.

The maturity analysis of lease liabilities is disclosed in note 27.

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22. **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:

	2025		2024	
	Gross investment	Present value of minimum lease payments	Gross investment	Present value of minimum lease payments
Less than one year	14	13	20	17
Between one and five years	34	29	50	41
More than five years	2	2	10	8
Total	**50**	**44**	**80**	**66**
Unearned finance income	–	3	–	7
Unguaranteed residual value	–	3	–	7
Total	**50**	**50**	**80**	**80**

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:

	2025	2024
Less than one year	80	115
Between one and five years	118	177
More than five years	8	18
Total	**206**	**310**

No contingent rent have been recognized as income in 2025 or 2024.

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23. 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 pension, early retirement, jubilee and termination indemnities. On top of this they also cover additional paid leave close to retirement. The pension plans are funded, whereas the other 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:

	2025	2024
Financial assets (note 14)	–1 491	–1 432
Post-employment benefits	1 883	2 740
Other provisions (note 25)	408	151
Closing balance, net	**800**	**1 459**

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 800 (1 459). The weighted average duration of the obligation is 12.3 (12.4) years.

Post-employment benefits 2025	Funded pension plans	Unfunded pension plans	Other funded plans	Other unfunded plans	Total
Present value of defined benefit obligations	7 986	976	88	553	9 603
Fair value of plan assets	–8 884	–	–107	–	–8 991
Present value of net obligations	**–898**	**976**	**–19**	**553**	**612**
Effect of asset ceiling	147	–	–	–	147
Other long-term service obligations	–	–	41	–	41
Net amount recognized in the balance sheet	**–751**	**976**	**22**	**553**	**800**

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**

Plan assets consist of the following:	2025			
	Quoted market price	Unquoted market price	Total	2024
Debt instruments	1 330	304	1 634	1 634
Equity instruments	926	327	1 253	1 224
Property	1 173	373	1 546	1 726
Assets held by insurance companies	113	1 403	1 516	1 907
Cash	719	–	719	696
Investment funds	667	907	1 574	1 493
Derivatives	415	–3	412	513
Others	32	305	337	433
Closing balance, Dec. 31	**5 375**	**3 616**	**8 991**	**9 626**

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23. Employee benefits, continued

Movements in plan assets	2025	2024
Fair value of plan assets at Jan. 1	9 626	8 675
Business acquisitions	46	4
Interest income	330	327
Remeasurement – return on plan assets	–127	398
Settlements	–27	–9
Employer contributions	229	213
Plan members contributions	20	21
Administrative expenses	–9	–18
Benefit paid by the plan	–394	–366
Translation differences	–703	381
Fair value of plan assets, Dec. 31	**8 991**	**9 626**

The plan assets are allocated among the following geographic areas:	2025	2024
Europe	7 907	8 356
North America	536	668
Asia	548	602
Total	**8 991**	**9 626**

Asset ceiling	2025	2024
Asset ceiling at Jan. 1	164	101
Interests	1	2
Remeasurements – asset ceiling	–11	58
Translation differences	–7	3
Asset ceiling, Dec. 31	**147**	**164**

Movements in present value of the obligations for defined benefits	2025	2024
Defined benefit obligations at Jan. 1	10 883	10 119
Current service cost	375	359
Past service cost	–76	25
Interest expense (+)	379	388
Actuarial gains (–) / losses (+) arising from experience adjustments	73	274
Actuarial gains (–) / losses (+) arising from financial assumptions	–536	–116
Actuarial gains (–) / losses (+) arising from demographic assumptions	14	–21
Business acquisitions	64	102
Settlements	–26	–9
Benefits paid from plan or company assets	–716	–690
Reclassifications	12	–
Translation differences	–843	452
Defined benefit obligations, Dec. 31	**9 603**	**10 883**

Remeasurements recognized in other comprehensive income amounted to 333 (218) and –4 (15) in profit and loss. The Group expects to pay 512 (542) in contributions to defined benefit plans in 2026.

The defined benefit obligations are allocated among the following geographic areas:	2025	2024
Europe	8 007	9 036
North America	599	748
Asia	841	944
Rest of the world	156	155
Total	**9 603**	**10 883**

Expenses recognized in the income statement	2025	2024
Current service cost	375	359
Past service cost	–76	25
Net interest cost	49	61
Employee contribution/ participant contribution	–20	–21
Remeasurement of other long-term benefits	–4	14
Administrative expenses	11	18
Total	**335**	**456**

The total benefit expense for defined benefit plans amounted to 335 (456), whereof 286 (395) have been charged to operating expenses and 49 (61) to financial expenses. Expenses related to defined contribution plans amounted to 1 520 (1 544).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages in %)	2025	2024
Discount rate		
Europe	4.02	3.52
North America	5.29	5.41
Asia	4.73	4.60
Future salary increases		
Europe	2.59	2.66
North America	5.00	5.00
Asia	5.86	5.91
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%	–472	–19	–37
Change in discount rate –0.5%	517	21	40
Increase in life expectancy, +1 year	239	13	–

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23. **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 2025 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 2026 and varies linear from zero to 100% depending on the value creation in the Group during 2025. The exercise price will be determined in February 2026 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.

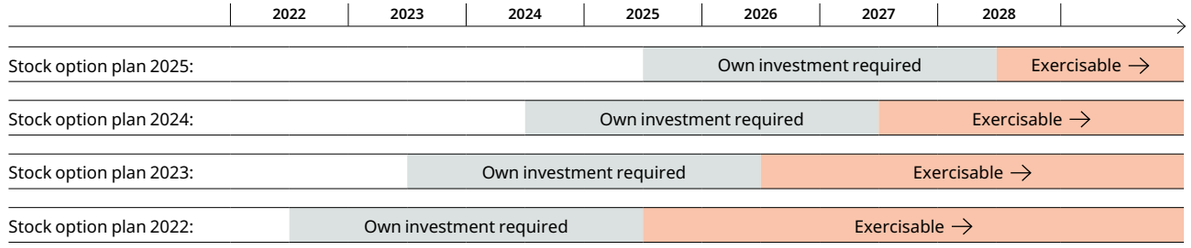
Since the Board believes that it is of particular importance to the shareholders that Group Management and division president have a long-term interest in the good value development of the share of the company, there is a prerequisite for this group to invest in Atlas Copco AB shares to participate in the performance-based employee stock option plan. The participation in the plan corresponds proportionally to the investment made, and is reduced accordingly in the event of a possible sale before the first possible exercise. Consequently, and subject to continued employment, there is a prerequisite for Group Management and division president that decide to participate in the offered plan to always hold invested shares under three consecutive plans.

Performance-based employee stock option plan 2018–2024
In 2018–2024, 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 similar to the terms and conditions of the performance-based employee stock option plan for 2025 in the Group, as described below, but with the addition of matching options to members of Group Management and division presidents. 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 respective plan, allocation of matching options, corresponding to the number of shares acquired under each plan. 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 on Nasdaq Stockholm of Atlas Copco AB series A shares during a period of ten business days following the date of the publishing of the full year summary respective year, subject to continued employment and continued ownership of the shares.

The performance criteria of the performance-based employee stock option plan which expired in 2025 was met at the level of 100%.

Performance-based employee stock option plan 2025
At the Annual General Meeting 2025, it was decided to implement a performance-based employee stock option plan for 2025, in which matching options to members of Group management and division presidents were removed, but otherwise substantially corresponding 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 7 596 360 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

Own investment for Group Management and division presidents

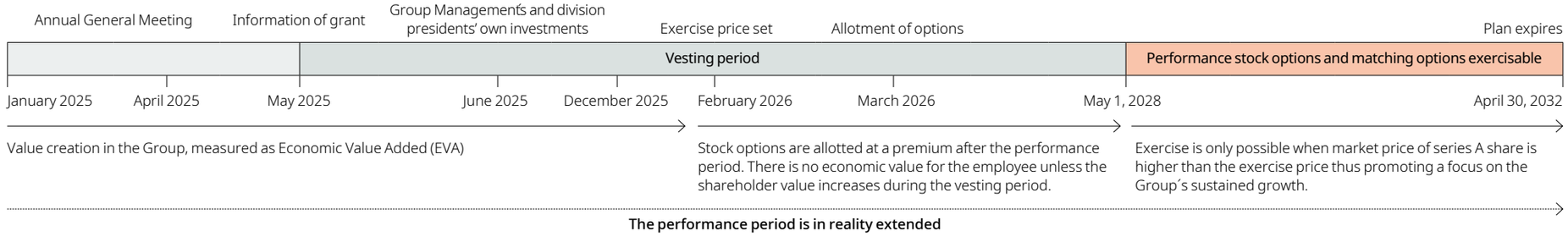


Share price development 2018–2025



Performance-based employee stock option plan 2025

Participation in the plan is based on position, qualification and individual performance



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23. **Employee benefits,** continued

capital) during 2025. In an interval of SEK 5 500 000 000, the allotment varies linear from zero to 100% of the maximum number of options. The size and the limits of the interval have been reviewed annually and established by the Board and are compatible with the goals in the long-term business plan of the Group. 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.

In connection to the allotment, which will take place no later than March 20, 2026, 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 of the publishing of the full-year summary for 2025. 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 the right to exercise only applies during the period a person is considered employed. 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 2025, Group Management and division presidents have to invest 10% of their respective base salary for 2025 (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. If the number of acquired shares has been reduced prior to the date when the options become exercisable, the right to options is reduced proportionally.

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 2024 and 2025, the fair value of the options and share appreciation rights was based on the following assumptions:

Key assumptions	2025 Program (Dec. 31, 2025)	2024 Program (at date of allotment)
Expected exercise price	SEK 183	SEK 203/138 [1] [2]
Expected volatility	30%	30%
Expected options life (years)	4.3	4.1
Expected share price	SEK 166.05	SEK 138.91
Expected dividend (growth)	SEK 3.18 (6%)	SEK 3.0 (6%)
Risk free interest rate	2.3%	1.9%
Expected average grant value	SEK 32.49	SEK 18.69/36.66
Maximum number of options	7 596 360	7 909 235
– of which forfeited [3]	–6 849 739	–90 335
Number of matching options	–	79 888

[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 2019–2025 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
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
2025	May 2025	April 2028	May 2028	April 2032

[1] No allotment of stock options as the EVA target for the Group was not met.

For the 2025 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 2025 for all share-based incentive programs, excluding social costs, amounted to 153 (304) of which 156 (253) 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 132 (200). Atlas Copco Group shares are held by the Parent Company in order to cover commitments under the programs 2019–2024, see also note 20.

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23. **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							
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	–
2024	400	6 509 065	Apr. 30. 31	203.00	A	18.69	–
Matching options							
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	–
2024	33	79 888	Apr. 30. 31	138.00	A	36.66	–
Share appreciation rights							
2018	57	1 769 052	Apr. 30. 25	64.77	A	–	101.28
2019	62	2 659 552	Apr. 30. 26	96.42	A	–	69.63
2021	44	855 181	Apr. 30. 28	144.76	A	–	21.29
2022	77	1 285 040	Apr. 30. 29	139.00	A	–	27.05
2023	87	1 549 905	Apr. 30. 30	184.00	A	–	–
2024	95	1 309 835	Apr. 30. 31	203.00	A	–	–

Number of options/rights 2025 [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								
2018	1 709 786	–	1 709 786	–	–	–	–	178
2019	6 276 453	–	2 449 787	–	3 826 666	*3 826 666*	4	167
2021	5 643 308	–	349 197	22 384	5 271 727	*5 271 727*	28	173
2022	7 555 084	16 000	431 620	64 000	7 075 464	*7 075 464*	40	157
2023	8 551 507	17 475	–	291 705	8 277 277	–	52	–
2024	6 509 065	–	–	212 285	6 296 780	–	64	–
Matching options								
2018	39 187	–	39 187	–	–	–	–	181
2019	49 435	–	21 016	–	28 419	*28 419*	4	168
2020	83 070	–	2 950	–	80 120	*80 120*	16	187
2021	84 644	–	–	–	84 644	*84 644*	28	–
2022	84 644	–	2 096	–	82 548	*82 548*	40	167
2023	96 829	–	–	2 064	94 765	–	52	–
2024	79 888	–	–	1 764	78 124	–	64	–
Share appreciation rights								
2018	256 333	–	256 333	–	–	–	–	169
2019	879 149	–	483 160	–	395 989	*395 989*	4	168
2021	732 217	–	67 003	–	665 214	*665 214*	28	168
2022	1 333 040	–16 000	146 000	16 000	1 155 040	*1 155 040*	40	158
2023	1 480 005	–17 475	–	52 425	1 410 105	–	52	–
2024	1 309 835	–	–	54 200	1 255 635	–	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 Saudi Arabia with reference to the terms and conditions.

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Number of options/rights 2024 [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								
2017	660 331	–	660 331	–	–	–	–	170
2018	3 299 499	–	1 589 713	–	1 709 786	*1 709 786*	4	186
2019	8 286 432	–	2 009 979	–	6 276 453	*6 276 453*	16	186
2021	6 468 781	–	787 985	37 488	5 643 308	*5 643 308*	40	194
2022	7 715 084	–	–	160 000	7 555 084	–	52	–
2023	8 586 457	–	–	34 950	8 551 507	–	64	–
2024	–	6 509 065	–	–	6 509 065	–	76	–
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	–
2024	–	79 888	–	–	79 888	–	76	–
Share appreciation rights								
2017	409 659	–	409 659	–	–	–	–	176
2018	562 248	–	305 915	–	256 333	*256 333*	4	181
2019	1 182 102	–	302 953	–	879 149	*879 149*	16	183
2021	948 901	–	179 196	37 488	732 217	*732 217*	40	194
2022	1 413 040	–	–	80 000	1 333 040	–	52	–
2023	1 549 905	–	–	69 900	1 480 005	–	64	–
2024	–	1 309 835	–	–	1 309 835	–	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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24. Other liabilities

Fair value of other liabilities corresponds to carrying value.

Other current liabilities	2025	2024
Derivatives:		
– at fair value through profit and loss	191	94
Other financial liabilities:		
– other liabilities	3 474	3 399
– accrued expenses	12 517	12 632
Prepaid income other	168	309
Contract liabilities:		
– advances from customers	8 643	9 780
– deferred revenues construction contracts	992	1 135
– deferred revenues service contracts	2 901	2 990
Closing balance, Dec. 31	**28 886**	**30 339**

Accrued expenses include items such as social costs, vacation pay liability, accrued interest, and accrued operational expenses. See note 27 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 956 (995). 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 2025, transaction price allocated to remaining performance obligations was 28 535 (30 200) and the majority will be recognized as revenue over the next three years. The transaction price does not include consideration that is constrained.

25. Provisions

2025	Product warranty	Restructuring	Other	Total
Opening balance, Jan. 1	1 939	336	2 117	4 392
During the year:				
– provisions made	1 445	522	753	2 720
– provisions used	–1 164	–372	–707	–2 243
– provisions reversed	–319	–50	–190	–559
Business acquisitions	106	–	9	115
Reclassifications	–	–	90	90
Translation differences	–213	–28	–128	–369
Closing balance, Dec. 31	**1 794**	**408**	**1 944**	**4 146**
Non-current	289	27	1 478	1 794
Current	1 505	381	466	2 352
Total	**1 794**	**408**	**1 944**	**4 146**

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**

Maturity 2025	Product warranty	Restructuring	Other	Total
Less than one year	1 505	381	466	2 352
Between one and five years	284	21	811	1 116
More than five years	5	6	667	678
Total	**1 794**	**408**	**1 944**	**4 146**

Other provisions consist primarily of amounts related to share-based payments including social fees, other long-term employee benefits (see note 23), and asset restoration obligations.

26. Assets pledged and contingent liabilities

Assets pledged for debts to credit institutions and other commitments	2025	2024
Property, plant and equipment	8	62
Endowment insurances	227	209
Total	**235**	**271**

Contingent liabilities	2025	2024
Notes discounted	12	18
Sureties and other contingent liabilities	123	221
Total	**135**	**239**

Sureties and other contingent liabilities relate primarily to pension commitments and commitments related to customer claims and various legal matters.

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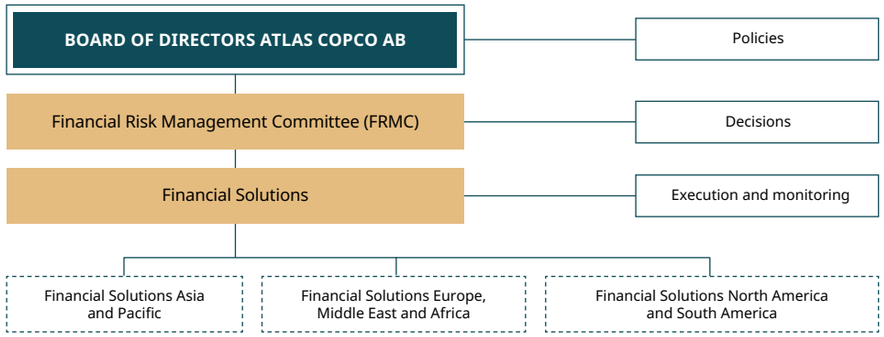
27. Financial exposure and principles for control of financial risks

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.

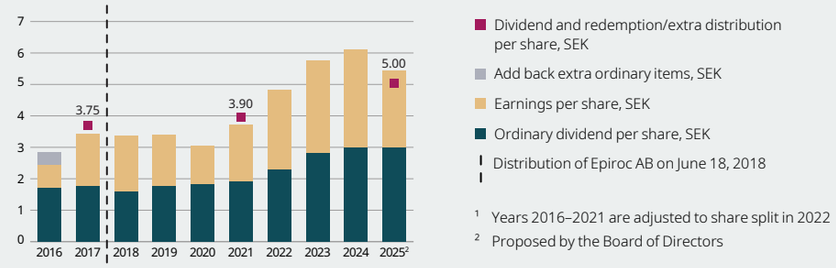


Capital management

Atlas Copco Group defines capital as borrowings and equity, which at December 31 totaled 145 282 (148 524). 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] Years 2016–2021 are adjusted to 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	2025	2024
Committed credit facilities	17 709	18 802
Cash and cash equivalents	15 523	18 968
Average tenor, years	4.6	4.7
Current external debt	3 675	280

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 21 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 2030 and 2032 to secure liquidity.

Financial instruments	Up to 1 year	1–3 years	4–5 years	Over 5 years
Bonds and loans	–	4 337	9 082	11 317
Lease liabilities	–	2 842	1 381	1 840
Other financial liabilities	–	59	8	6
Derivatives	–	–	–	97
Other liabilities	–	276	12	6
Non-current financial liabilities	**–**	**7 514**	**10 483**	**13 266**
Bonds and loans	1 430	–	–	–
Lease liabilities	2 004	–	–	–
Current portion of interest-bearing liabilities	3 675	–	–	–
Derivatives	191	–	–	–
Other accrued expenses	12 517	–	–	–
Trade payables	16 389	–	–	–
Other liabilities	3 474	–	–	–
Current financial liabilities	**39 680**	**–**	**–**	**–**
Financial liabilities	**39 680**	**7 514**	**10 483**	**13 266**

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27. 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. Interest rate swaps are used to convert interest. For more information about the Group's borrowings, see note 21.

Interest risk	2025	2024
Effective interest rate on bonds and loans	1.4%	1.4%
Effective interest rate on lease liabilities	3.6%	3.3%
Duration (months)	26	37

40% (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 –103 (–75). Same shift downwards would impact the Group's interest net with 103 (75).

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.

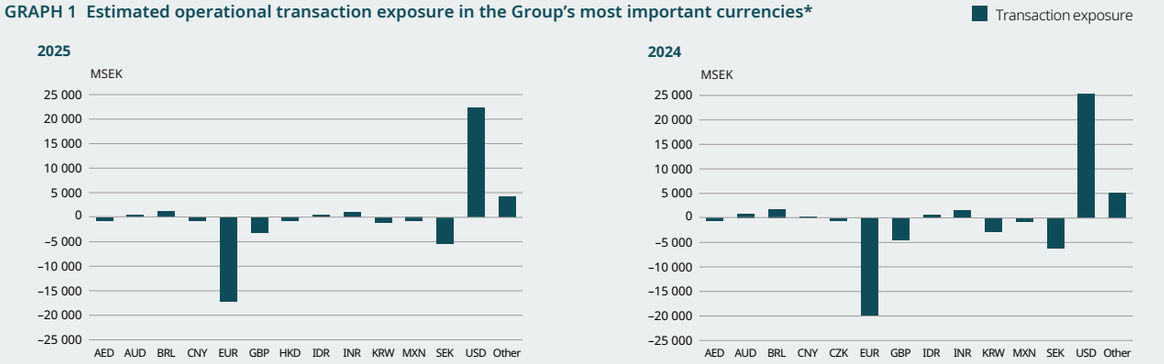
Currency risk

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 –5 310 (–6 287). 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 –857 and a weakening would have a positive impact of 857.

Transaction exposure sensitivity	2025	2024
SEK exchange rate + 5%	–265	–314
USD exchange rate + 5%	1 120	1 269
EUR exchange rate + 5%	–857	–993

Outstanding derivative instruments related to transaction exposure	2025	2024
Foreign exchange forwards		
GBP	54	–
USD	–72	–

The FRMC has decided to hedge part of the GBP/USD transaction exposure with foreign exchange forward contracts. The net nominal amount are MGBP 54/MUSD –72 (MGBP 0/MUSD 0). All contracts mature within 6 months. The fair value of the outstanding contracts is MSEK 10 (0).

Translation exposure risk

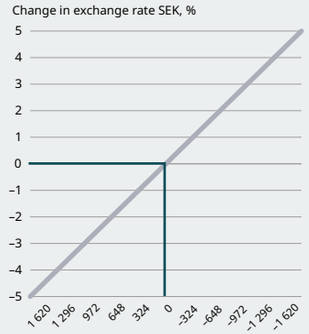
Translation exposure risk is the risk that the value of the Group's net investments in foreign currencies is negatively affected by changes in exchange rates. The Group's global presence creates currency effects when subsidiaries' financial statements with functional currencies other than SEK are translated 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.

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27. Financial exposure and principles for control of financial risks, continued

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.

GRAPH 2
Translation effect on profit before tax



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 –1 620 (–1 795).

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	2025		2024	
	Effect in OCI	Nominal amount	Effect in OCI	Nominal amount
Loans in EUR [1]	MSEK –149	MEUR 1 276	MSEK –1 013	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 547 (663), 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	2025	2024
Receivables at amortized cost:		
– trade receivables	29 907	33 834
– lease receivables	47	73
– other financial receivables	434	163
– other receivables	2 821	3 508
– contract assets	6 061	6 218
– cash and cash equivalents	15 523	18 968
Financial assets at fair value through OCI	1	1
Financial assets at fair value through profit or loss	433	426
Derivatives	118	78
Total	**55 345**	**63 269**

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 2025, the provision for bad debt amounted to 4.1% (3.7) 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.

	2025		2024	
Trade receivables	Gross	Impairment	Gross	Impairment
Not past due	23 152	18	26 264	4
Past due but not individually impaired				
0–30 days	3 188	–	3 774	–
31–60 days	1 377	–	1 507	–
61–90 days	779	–	740	–
More than 90 days	2 300	–	2 320	–
Past due and individually impaired				
0–30 days	17	8	13	5
31–60 days	15	8	3	3
61–90 days	11	6	63	7
More than 90 days	361	321	446	398
Collective impairment	–	932	–	879
Total	**31 200**	**1 293**	**35 130**	**1 296**

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 47 (74), of which 0 (1) have been impaired, and the gross amount of other financial receivables amounted to 444 (164), of which 10 (1) have been impaired.

There are no significant amounts past due that have not been impaired.

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27. 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 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 15 523 (18 968) 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 35 (38).

The table below presents the reported value of the Group's derivatives including interest rate swaps.

Outstanding derivative instruments	2025	2024
Assets	118	78
Liabilities	288	94

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	118	–	118	–288	94	–76
Liabilities						
Derivatives	288	–	288	–288		

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. Financial instruments carried at amortized cost is deemed to be equal to fair value. When a market price is not readily available, and there is insignificant interest rate exposure as well as credit spreads affecting the value, the carrying value is considered to represent a reasonable estimate of fair value.

Financial instrument carried at fair value, is established according to the 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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27. 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 21 for additional information about the Group's borrowings. In the following table, financial instruments recognized at amortized cost where the carrying value is an approximation of fair value have been presented in the column amortized cost. Financial instruments recognized at fair value and financial instruments recognized at amortized cost where the fair value differs from the carrying amount have been presented in the fair value column.

	2025					2024				
			Fair value hierarchy level					Fair value hierarchy level		
Financial instruments by fair value hierarchy	Amortized cost	Fair value	Level 1	Level 2	Level 3	Amortized cost	Fair value	Level 1	Level 2	Level 3
Financial assets	275	34	34	–	–	162	67	67	–	–
Other receivables	16	–	–	–	–	17	–	–	–	–
Derivatives	–	85	–	85	–	–	2	–	2	–
Non-current financial assets	**291**	**119**	**34**	**85**	**–**	**179**	**69**	**67**	**2**	**–**
Trade receivables	29 891	–	–	–	–	33 817	–	–	–	–
Financial assets	206	400	400	–	–	74	360	360	–	–
Other receivables	2 822	–	–	–	–	3 508	–	–	–	–
Derivatives	–	33	–	33	–	–	76	–	76	–
Contract assets	6 061	–	–	–	–	6 218	–	–	–	–
Current financial assets	**38 980**	**433**	**400**	**33**	**–**	**43 617**	**436**	**360**	**76**	**–**
Financial assets	**39 271**	**552**	**434**	**118**	**–**	**43 796**	**505**	**427**	**78**	**–**
Bonds and loans	–	21 804	11 033	10 771	–	–	24 893	13 519	11 374	–
Other financial liabilities	–	69	–	69	–	–	56	–	56	–
Derivatives	–	98	–	98	–	–	–	–	–	–
Other liabilities	–	294	–	35	259	–	258	–	168	90
Non-current financial liabilities	**–**	**22 265**	**11 033**	**10 973**	**259**	**–**	**25 207**	**13 519**	**11 598**	**90**
Current portion of long-term loans	–	3 675	–	3 675	–	–	280	–	280	–
Short-term loans	–	1 028	–	1 028	–	–	1 034	–	1 034	–
Derivatives	–	191	–	191	–	–	94	–	94	–
Other accrued expenses	12 517	–	–	–	–	12 632	–	–	–	–
Trade payables	16 389	–	–	–	–	16 788	–	–	–	–
Other liabilities	–	3 474	–	3 292	182	–	3 399	–	3 235	164
Current financial liabilities	**28 906**	**8 368**	**–**	**8 186**	**182**	**29 420**	**4 807**	**–**	**4 643**	**164**
Financial liabilities	**28 906**	**30 633**	**11 033**	**19 159**	**441**	**29 420**	**30 014**	**13 519**	**16 241**	**254**

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 2025	254	347	–24	21	–123	–34	**441**	102

In other liabilities, 441 (254) 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 a acquisitions, see note 2.

			Year-end rate		Average rate	
Currency rates used in the financial statements	Value	Code	**2025**	**2024**	**2025**	**2024**
Canada	1	CAD	6.70	7.64	7.03	7.70
China	1	CNY	1.31	1.51	1.37	1.47
EU	1	EUR	10.80	11.46	11.07	11.41
India	1	INR	0.10	0.13	0.11	0.13
South Korea	1 000	KRW	6.34	7.46	6.92	7.75
United Kingdom	1	GBP	12.39	13.83	12.97	13.49
U.S.A.	1	USD	9.17	10.99	9.86	10.55

28. 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 97–100.

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:

	2025	**2024**
Revenues	26	36
Goods purchased	18	21
Service purchased	155	151
At Dec. 31:		
Trade receivables	12	20
Trade payables	8	17
Lease liabilities	518	534

Compensation to key management personnel

Compensation to the Board and to Group Management is disclosed in note 4.

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For the year ended December 31 Amounts in MSEK	Note	2025	2024
Administrative expenses	A2	–827	–915
Other operating income	A3	531	537
Other operating expenses	A3	–61	–
Operating loss		**–357**	**–378**
Financial income	A4	11 804	19 115
Financial expenses	A4	–934	–1 048
Profit after financial items		**10 513**	**17 689**
Appropriations	A5	2 340	2 910
Profit before tax		**12 853**	**20 599**
Income tax	A6	–304	–408
Profit for the year		**12 549**	**20 191**

Statement of comprehensive income

For the year ended December 31 Amounts in MSEK	Note	2025	2024
Profit for the year		**12 549**	**20 191**
Other comprehensive income for the year		**–**	**–**
Total comprehensive income for the year		**12 549**	**20 191**

Balance sheet

As at December 31 Amounts in MSEK	Note	2025	2024
ASSETS			
Non-current assets			
Intangible assets	A7	–	2
Tangible assets	A8	29	37
Financial assets:			
Deferred tax assets	A9	118	112
Shares in Group companies	A10, A21	199 685	198 415
Other financial assets	A11	312	279
Total non-current assets		**200 144**	**198 845**
Current assets			
Income tax receivables		510	442
Other receivables	A12	2 800	5 387
Cash and cash equivalents	A13	–	–
Total current assets		**3 310**	**5 829**
TOTAL ASSETS		**203 454**	**204 674**

As at December 31 Amounts in MSEK	Note	2025	2024
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		149 061	143 796
Profit for the year		12 549	20 191
Total non-restricted equity		**160 430**	**162 807**
TOTAL EQUITY		**166 215**	**168 592**
PROVISIONS			
Post-employment benefits	A15	231	213
Other provisions	A16	386	524
Total provisions		**617**	**737**
LIABILITIES			
Non-current liabilities			
Borrowings	A17	22 415	35 002
Total non-current liabilities		**22 415**	**35 002**
Current liabilities			
Borrowings	A17	12 854	–
Other liabilities	A18	1 353	343
Total current liabilities		**14 207**	**343**
TOTAL EQUITY AND LIABILITIES		**203 454**	**204 674**

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, 2025	4 870 613 982	786	4 999	–1 180	163 987	168 592
Total comprehensive income for the year	–	–	–	–	12 549	12 549
Ordinary dividend	–	–	–	–	–14 606	–14 606
Acquisition series A shares	–5 030 000	–	–	–	–938	–938
Divestment series A shares	5 003 543	–	–	–	854	854
Share-based payment, equity settled:						
– expense during the year	–	–	–	–	142	142
– exercise of options	–	–	–	–	–378	–378
Closing balance, Dec. 31, 2025	**4 870 587 525**	**786**	**4 999**	**–1 180**	**161 610**	**166 215**
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**

See note A14 for additional information.

Statement of cash flows

For the year ended December 31, MSEK	2025	2024
Cash flows from operating activities		
Operating loss	–357	–378
Adjustments for:		
– Depreciation	8	8
– Capital gain/loss and other non-cash items	–396	–481
Operating cash deficit	**–745**	**–851**
Net financial items received	10 715	18 056
Group contributions received	2 910	3 383
Taxes paid	–385	–294
Cash flow before change in working capital	**12 495**	**20 294**
Change in		
– Operating receivables	2 027	–1 238
– Operating liabilities	1 012	–12
Change in working capital	**3 039**	**–1 250**
Net cash from operating activities	**15 534**	**19 044**

For the year ended December 31, MSEK	2025	2024
Cash flow from investing activities		
Investments in tangible assets	–3	–14
Investments in subsidiaries	–1 234	–5 824
Net cash from investing activities	**–1 237**	**–5 838**
Cash flow from financing activities		
Dividends paid	–14 606	–13 647
Repurchase and divestment of own shares	–84	45
Change in interest-bearing liabilities	393	396
Net cash from financing activities	**–14 297**	**–13 206**
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 111–112.

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	2025			2024		
	Women	Men	Total	Women	Men	Total
Sweden	88	47	135	85	41	126

Women in Atlas Copco Board and Management, %	Dec. 31, 2025	Dec. 31, 2024
Board of Directors excl. employee representatives	44	44
Group Management	30	30

Salaries and other remunerations	2025		2024	
	Board members and Group Management [1]	Other employees	Board members and Group Management [1]	Other employees
Sweden	80	160	125	157
of which variable compensation	4		21	

[1] Includes 9 (9) board members who receive fees from Atlas Copco AB as well as the President and CEO and 6 (6) 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	2025	2024
Contractual pension benefits for Board members and Group Management	13	12
Contractual pension benefits for other employees	29	27
Other social costs	75	87
Total	**117**	**126**
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:

	2025	2024
Ernst & Young		
– audit fee	6	6
– other services	1	2
Total	**7**	**8**

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 2026.

A3. Other operating income and expense

	2025	2024
Commissions received	498	492
Exchange-rate differences, net	1	2
Other operating income	32	43
Total other operating income	**531**	**537**
Other operating expenses	–61	–
Total other operating expense	**–61**	**–**

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A4. Financial income and expenses

Financial income and expenses	2025	2024
Interest income:		
– cash and cash equivalents	3	10
– receivables from Group companies	81	173
Dividend income from Group companies	11 665	18 917
Capital gain other assets	11	–
Change in fair value:		
– other assets	–	15
– borrowings	42	–
Foreign exchange gain, net	2	–
Financial income	**11 804**	**19 115**
Interest expense:		
– borrowings	–243	–366
– liabilities to Group companies	–577	–682
Change in fair value:		
– other assets	–33	–
Impairment loss:		
– shares in Group companies	–81	–
Financial expenses	**–934**	**–1 048**
Financial income, net	**10 870**	**18 067**

Following table presents the net gain or loss by category of financial instruments.

Net gain/loss on	2025	2024
– loans and receivables, incl. bank deposits	–115	–183
– other assets	–22	15
– other liabilities	–577	–682
Profit from shares in Group companies	11 584	18 917
Total	**10 870**	**18 067**

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 27 of the consolidated financial statements.

A5. Appropriations

	2025	2024
Group contributions paid	–	–
Group contributions received	2 340	2 910
Total	**2 340**	**2 910**

A6. Income tax

	2025	2024
Current tax	–324	–408
Deferred tax	20	–
Total	**–304**	**–408**
Profit before taxes	12 853	20 599
The Swedish corporate tax rate, %	20.6	20.6
National tax based on profit before taxes	–2 648	–4 243
Tax effects of:		
– non-deductible expenses	–60	–24
– tax exempt income	2 428	3 903
– deductible expenses, not recognized in Income statement	15	22
– tax financial net	–10	–16
– controlled foreign company taxation	–29	–40
– adjustments from prior years	–	–10
Total	**–304**	**–408**
Effective tax in %	**2.4**	**2.0**

The Parent Company's effective tax rate of 2.4% (2.0) is primarily affected by non-taxable income such as dividends from Group companies.

A7. Intangible assets

	Capitalized expenditures for computer programs	
	2025	2024
Accumulated cost		
Opening balance, Jan. 1	34	34
Closing balance, Dec. 31	**34**	**34**
Accumulated depreciation		
Opening balance, Jan. 1	32	30
Depreciation for the year	2	2
Closing balance, Dec. 31	**34**	**32**
Carrying amount		
Opening balance, Jan. 1	2	4
Closing balance, Dec. 31	**–**	**2**

A8. Property, plant and equipment

	2025			2024		
	Buildings and land	Machinery and equipment	Total	Buildings and land	Machinery and equipment	Total
Accumulated cost						
Opening balance, Jan. 1	56	67	123	49	60	109
Investments	1	2	3	7	7	14
Disposals	–16	–3	–19	–	–	–
Closing balance, Dec. 31	**41**	**66**	**107**	**56**	**67**	**123**
Accumulated depreciation						
Opening balance, Jan. 1	29	57	86	26	54	80
Depreciation for the year	3	3	6	3	3	6
Disposals	–12	–2	–14	–	–	–
Closing balance, Dec. 31	**20**	**58**	**78**	**29**	**57**	**86**
Carrying amount						
Opening balance, Jan. 1	27	10	37	23	6	29
Closing balance, Dec. 31	**21**	**8**	**29**	**27**	**10**	**37**

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 79 (74). Future payments for non-cancelable leasing contracts amounted to 493 (543) and fall due as follows in the table beside.

	2025	2024
Less than one year	66	67
Between one and five years	262	258
More than five years	165	218
Total	**493**	**543**

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A9. Deferred tax assets and liabilities

	2025			2024		
	Assets	Liabilities	Net balance	Assets	Liabilities	Net balance
Post-employment benefits	47	–	47	44	–	44
Other provisions	71	–	71	68	–	68
Total	**118**	**–**	**118**	**112**	**–**	**112**

The following reconciles the net balance of deferred taxes at the beginning of the year to that at the end of the year:

	2025	2024
Net opening balance, Jan. 1	112	121
Charges to equity	–14	–9
Charges to profit for the year	20	–
Net closing balance, Dec. 31	**118**	**112**

A10. Shares in Group companies

	2025	2024
Accumulated cost		
Opening balance, Jan. 1	278 771	272 816
Investments	–	2
Net investment hedge	115	21
Shareholders' contribution	1 236	5 932
Closing balance, Dec. 31	**280 122**	**278 771**
Accumulated write-up		
Opening balance, Jan. 1	600	600
Closing balance, Dec. 31	**600**	**600**
Accumulated write-down		
Opening balance, Jan. 1	–80 956	–80 956
Write-down	–81	–
Closing balance, Dec. 31	**–81 037**	**–80 956**
Total	**199 685**	**198 415**

For further information about shares in Group companies, see note A21.

A11. Other financial assets

	2025	2024
Receivables from Group companies	48	–
Endowment insurances	227	209
Financial assets measured at amortized cost:		
– other financial receivables	37	70
Closing balance, Dec. 31	**312**	**279**

Endowment insurances relate to defined contribution pension plans and are pledged to the pension beneficiary (see note A15 and A20).

A12. Other receivables

	2025	2024
Receivables from Group companies	2 657	5 223
Financial assets measured at amortized cost:		
– other receivables	43	26
Prepaid expenses and accrued income	100	138
Closing balance, Dec. 31	**2 800**	**5 387**

A13. Cash and cash equivalents

	2025	2024
Cash and cash equivalents measured at amortized cost:		
– cash	–	–
Closing balance, Dec. 31	**–**	**–**

The Parent Company's guaranteed, but unutilized, credit lines equaled MSEK 6 911 (7 338).

A14. Equity

For information on share transactions and mandates approved by the Annual General Meeting and proposed dividend for 2025, see note 20 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

	2025			2024		
	Defined contribution pension plans	Defined benefit pension plans	Total	Defined contribution pension plans	Defined benefit pension plans	Total
Opening balance, Jan. 1	209	4	213	205	4	209
Provision made	22	1	23	33	1	34
Provision used	–4	–1	–5	–29	–1	–30
Closing balance, Dec. 31	**227**	**4**	**231**	**209**	**4**	**213**

The Parent Company has endowment insurances of 227 (209) 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.

	2025			2024		
	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Defined benefit obligations	187	4	191	197	4	201
Fair value of plan assets	–701	–	–701	–677	–	–677
Present value of net obligations	**–514**	**4**	**–510**	**–480**	**4**	**–476**
Not recognized surplus	514	–	514	480	–	480
Net amount recognized in balance sheet	**–**	**4**	**4**	**–**	**4**	**4**

	2025			2024		
Reconciliation of defined benefit obligations	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Defined benefit obligations at Jan. 1	197	4	201	186	4	190
Service cost	5	1	6	4	1	5
Interest expense	5	–	5	5	–	5
Benefits paid from plan	–11	–	–11	11	–	11
Other changes in obligations	–9	–1	–10	–9	–1	–10
Defined benefit obligations at Dec. 31	**187**	**4**	**191**	**197**	**4**	**201**

	2025			2024		
Reconciliation of plan assets	Funded pension	Unfunded pension	Total	Funded pension	Unfunded pension	Total
Fair value of plan assets at Jan. 1	677	–	677	594	–	594
Return on plan assets	33	–	33	91	–	91
Payments/Renumeration of plan assets	–9	–	–9	–8	–	–8
Fair value of plan assets at Dec. 31	**701**	**–**	**701**	**677**	**–**	**677**

	2025	2024
Pension commitments provided for in the balance sheet		
Costs excluding interest	19	17
Total	**19**	**17**
Pension commitments provided for through insurance contracts		
Service cost	28	27
Total	**28**	**27**
Net cost for pensions, excluding taxes	**47**	**44**
Special employer's contribution	3	9
Total	**50**	**53**

Pension expenses excluding taxes for the year, included within administrative expenses amounted to 47 (44) of which the Board members and Group Management 19 (17) and others 28 (27).

The Parent Company's share in plan assets fair value in the Atlas Copco AB´s pension trust amounts to 759 (677) and is allocated as follows:

	2025	2024
Equity securities	126	92
Bonds	150	131
Real estate	50	38
Alternative investments	310	299
Cash and cash equivalents	65	117
Total	**701**	**677**

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 2.4% (7.8) inclusive of MSEK 9 (8) 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 2026.

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A16. Other provisions

	2025	2024
Opening balance, Jan. 1	524	651
During the year:		
– provisions made	4	8
– provisions used	–142	–135
Closing balance, Dec. 31	**386**	**524**

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	2025 Carrying amount	2025 Fair value	2024 Carrying amount	2024 Fair value
Non-current						
Medium Term Note Program MEUR 500	2026	MEUR 182	3 228	3 396	5 078	5 550
Bilateral borrowings EIB MEUR 200	2027		2 030	2 099	2 030	2 185
Bilateral borrowings EIB MEUR 100	2028		1 012	1 032	1 012	1 076
Bilateral borrowings EIB MEUR 415	2030		4 576	4 576	4 576	4 870
Bilateral borrowings EIB MEUR 60	2030		697	662	697	704
Bilateral borrowings NIB MEUR 183	2031		2 045	2 001	2 045	2 117
Non-current borrowings from Group companies			12 055	13 074	19 564	21 366
Less current portion of long-term borrowings			–3 228	–3 396	–	–
Total non-current borrowings			**22 415**	**23 444**	**35 002**	**37 868**
Current						
Current portion of long-term borrowings			3 228	3 396	–	–
Current borrowings from Group Companies			9 626	9 581	–	–
Total current borrowings			**12 854**	**12 977**	**–**	**–**
Closing balance, Dec. 31			**35 269**	**36 421**	**35 002**	**37 868**
Whereof external borrowings			**13 588**	**13 766**	**15 438**	**16 502**

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.

During 2025, Atlas Copco AB reduced its external borrowings. In April, MEUR 182 of a MEUR 500 public bond with maturity August 2026 was repurchased from Deutsche Bank AG and replaced with an internal loan.

The following table shows the maturity structure of the Parent Company's external borrowings.

Maturity	Fixed	Floating [1]	Carrying amount	Fair value
2026	3 228	–	3 288	3 396
2027	2 030	–	2 030	2 099
2028	1 012	–	1 012	1 032
2030	–	5 273	5 273	5 238
2031	–	2 045	2 045	2 001
Total	**6 270**	**7 318**	**13 588**	**13 766**

[1] Floating interest in the table is borrowings with fixings shorter or equal to six months.

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A18. Other liabilities

	2025	2024
Accounts payable	14	40
Liabilities to Group companies	1 152	76
Other financial liabilities	21	14
Accrued expenses and prepaid income	166	213
Closing balance, Dec. 31	**1 353**	**343**

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 13 588 (15 438) of external borrowings and MSEK 21 681 (19 564) of internal borrowings at December 31, 2025.

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 27 of the consolidated financial statements. The table below shows the actual exposure of financial instruments as per December 31.

Financial credit risk	2025	2024
Cash and cash equivalents	–	–
Receivables from Group companies	2 705	5 223
Other	180	234
Total	**2 885**	**5 457**

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 27 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

	2025	2024
Assets pledged for pension commitments		
Endowment insurances	227	209
Total	**227**	**209**
Contingent liabilities		
Sureties and other contingent liabilities:		
– for external parties	4	4
– for Group companies	13 926	11 511
Total	**13 930**	**11 515**

Sureties and other contingent liabilities include bank and commercial guarantees. The increase compared to last year mainly derives from the issuance of an EMTN bond for the total amount of MSEK 3 239 and Parent Company Guarantees provided by Atlas Copco AB on behalf of its subsidiaries.

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A21. Directly owned subsidiaries

	2025			2024		
	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	46 981	76 416	100	46 995
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	915	21 870 912	100	926
Atlas Copco (Ireland) Ltd., Dublin	250 000	100	28	250 000	100	28
Atlas Copco (Malaysia) Sdn. Bhd., Shah Alam	1 000 000	100	14	1 000 000	100	16
Atlas Copco (Philippines) Inc., Manila	677 980	100	234	677 980	100	130
Atlas Copco (Schweiz) AG, Studen	8 000	100	67	8 000	100	66
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]	103	2 122 102 334	98/100 [1]	102
Atlas Copco Brasil Ltda., Barueri	70 358 841	100	436	70 358 841	100	257
Atlas Copco Canada Inc., Toronto	6 946	100	2 418	6 946	100	2 417
Atlas Copco Chile SpA, Santiago	24 998	100	8	24 998	100	8
Atlas Copco Compressor AB, 556155-2794, Nacka	60 000	100	40	60 000	100	40
Atlas Copco Eastern Africa Limited, Nairobi	482 999	100	41	482 999	100	41
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	44
Atlas Copco KK, Tokyo	100 000	100	44	100 000	100	43
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	7
Atlas Copco Polska Sp. z o.o., Warsaw	4 000	100	82	4 000	100	81
Atlas Copco Services Middle East OMC, Manama	500	100	31	500	100	29
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	13
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	47
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	56 096	5 162 000 001	100	55 981
Atlas Copco France Holding S.A., Frépillon	278 255	100	322	278 255	100	330
Atlas Copco Holding GmbH, Essen	2	100	21 245	2	100	21 246
Atlas Copco Indoeuropeiska AB i Likvidation, 556155-2760, Nacka	3 500	100	20	3 500	100	20
Atlas Copco Internationaal B.V., Zwijndrecht	10 002	100	27 456	10 002	100	27 446
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	42 499	1 000	100	41 527
Industria Försäkringsaktiebolag, Industria Insurance Company Ltd, 516401-7930, Nacka	300 000	100	30	300 000	100	30
JSC Atlas Copco, Moscow	2 644	100	104	2 644	100	185
Oy Atlas Copco Ab, Vantaa	150	100	34	150	100	34
Saltus Industrial Technique AB, 559053-5455, Nacka	500	100	–	500	100	–
Carrying amount, Dec. 31			**199 685**			**198 415**

[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 97–100.

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:

	2025	2024
Revenues		
Dividends	11 665	18 917
Group contribution	2 340	2 910
Interest income	81	173
Expenses		
Interest expenses	–577	–683
Receivables	**2 705**	**5 223**
Liabilities	**22 833**	**19 640**
Guarantees	**13 926**	**11 511**

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*
	Clearpro Construction Water Solutions Pty Ltd	*Gold Coast*
	LEWA Australia PTY LTD	*East Perth*
	National Pump & Energy Pty Ltd	*Perth*
	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 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*
	MKG Equipamentos Ltda.	*Guarulhos*
	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*
	Lucas Drive - 2352341 Ontario Inc.	*Burlington*
	Sutton Drive - 2485283 Ontario Inc.	*Burlington*
Chile	Atlas Copco Chile SpA	*Santiago*
China	ABC Compressors (Suzhou) Co., Ltd	*Suzhou*
	Anhui Nuoyi Technology Co., Ltd.	*Hefei*
	Atlas Copco (Wuxi) Compressor Co., Ltd.	*Wuxi*
	Atlas Copco (Shanghai) Equipment Rental Co., Ltd.	*Shanghai*
	Atlas Copco (Dalian) Industrial Flow Co.,Ltd.	*Dalian*
	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*
China	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*
	Hefei Shareway Technology Co., Ltd.	*Hefei*
	ISRA VISION (Shanghai) Co. Ltd.	*Shanghai*
	Kracht Fluid Technology Ltd.	*Shanghai*
	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*
	Pan-Asia Gas Technologies (Wuxi) Co., Ltd.	*Wuxi*
	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 Shareway Environment Technology Co., Ltd.	*Shanghai*
	Shanghai Shareway International Trade Co., Ltd.	*Shanghai*
	Shanghai Tooltec Industrial Tool Co., Ltd.	*Shanghai*
	Shanghai Yinfeiqiao Trade Co., Ltd.	*Shanghai*
	Shenzhen Shareway Technology Co., Ltd.	*Shenzhen*
	Star Shine (Suzhou) Electronic Technology Co. Ltd.	*Suzhou*
	SUTO iTEC (China) Co. Ltd.	*Shenzhen*
	Suzhou New Star Technology Co., Ltd.	*Suzhou*
	Suzhou Since Gas Technology Co., Ltd.	*Suzhou*
	Wuxi Origin Industry Service Co., Ltd	*Wuxi*
	Wuxi Pneumatech Air/Gas Purity Equipment Co., Ltd.	*Wuxi*
	Yifeng Gas Technology (Jiangsu) Co., Ltd.	*Wuxi*
	Xinjingyao (Shanghai) Semiconductor Co., Ltd.	*Shanghai*
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*

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A22. **Related parties,** continued

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Denmark	Atlas Copco Kompressorteknik A/S	*Albertslund*
	Danmil A/S	*Greve*
	Oxymat A/S	*Helsinge*
	RENO A/S	*Aarhus*
Ecuador	Atlas Copco Ecuador, 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*
	Leybold Vacuum France SAS	*Paris*
	MultiAir France S.A.S	*Chambly*
	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*
	Dr. Weigel Anlagenbau GmbH	*Magdeburg*
	EAS Engineering Automation Systems GmbH	*Kirchhundem*
	Edwards GmbH [1]	*Kirchheim*
	Ehrler & Beck Vakuum- und Drucklufttechnik GmbH [1]	*Renningen*
	EXTEND3D GmbH [1]	*Munich*
	Heide-Pumpen GmbH [1]	*Gelsenkirchen*
	Industrietechnik Barleben GmbH	*Barleben*
	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*
	KDS Kompressoren- und Druckluftservice GmbH [1]	*Essen*
	Kracht GmbH [1]	*Werdohl*
	LEWA GmbH [1]	*Leonberg*
	LEWA Solutions GmbH [1]	*Leonberg*
	Leybold Dresden GmbH [1]	*Dresden*
	Leybold GmbH [1]	*Cologne*
	Leybold Real Estate GmbH [1]	*Cologne*
	Medgas-Technik GmbH Medical-Technology [1]	*Berndroth*
	Multiair Germany GmbH [1]	*Reutlingen*
	Perceptron GmbH [1]	*Munich*
	PMH Druckluft GmbH [1]	*Mönchengladbach*
	Pumpenfabrik Wangen GmbH [1]	*Wangen im Allgäu*
	QUISS Qualitäts-Inspektionssysteme und Service GmbH [1]	*Puchheim*
	soft2tec GmbH [1]	*Rüsselsheim*
	SUTO iTEC GmbH	*Heitersheim*
	VISION TOOLS Bildanalyse Systeme GmbH [1]	*Waghäusel*
Greece	Atlas Copco Hellas AE	*Koropi*
Hong Kong	Atlas Copco China/Hong Kong Ltd	*Hong Kong*
	SUTO iTEC Asia Co. Ltd.	*Hong Kong*
Hungary	Atlas Copco Hungary Kft	*Szigetszentmiklós*
	Kracht Hidraulik Kft.	*Budapest*
India	ABC Compressors India Private Limited	*Bhosari*
	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*
	Trident Pneumatics Private Limited	*Coimbatore*
Indonesia	PT Atlas Copco Indonesia	*Jakarta*
	SUTO iTEC 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*
	C.P. Service SRL	*Naples*
	Casa dei Compressori Group S.r.l.	*Trezzano sul Naviglio (MI)*
	Ceccato Aria Compressa S.r.l	*Montecchio Maggiore*
	CRI-MAN S.p.A.	*Correggio*
Italy	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*
	Jetcan Compressed Air Services Sdn. Bhd.	*Penang*
	SUTO iTEC (Malaysia) Sdn. Bhd.	*Subang Jaya*
	Vacuum Technique Malaysia Sdn. Bhd.	*Puchong*
Mexico	ABC Compressors Mexico SA de CV	*Mexico City*
	AIM Servicios Administrativos S.DE RL de CV.	*Monterrey*
	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*
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*
	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 Rental Services Limited	*Auckland*
	Sykes New Zealand Limited	*Auckland*

[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 2025.

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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*
Portugal	Arlogica Maquinas e Equipamentos, LDA	*Árvore*
	Neadvance – Machine Vision, S.A.	*Braga*
	Sociedade Atlas Copco de Portugal S.A.	*Porto Salvo*
Romania	Atlas Copco Romania S.R.L.	*Bucharest*
	Scheugenpflug S.R.L.	*Sibiu*
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*
	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.	*Gyeonggi-do*
	Edwards Korea Ltd	*Cheonan*
	Kyungwon Machinery Industry Co., Ltd.	*Siheung-si*
	LEWA Korea Co., Ltd.	*Seoul*
	Leybold Korea Ltd	*Bundang*
	Presys Co., Ltd	*Suwon*
Spain	ABC Compressors Gestión de Compresores y Recambios, S.L.	*Eibar*
	ABCT Technology Centre, A.I.E.	*Eibar*
	Aire Comprimido Industrial Iberia, S.L.	*Madrid*
	Arizaga Bastarrica y Compañía, S.A.	*Eibar*
	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*
	Talleres Haizea S.L.	*San Sebastian*

Country/Area	Company	Location (City)
Sweden	AB Swed-Weld Fides	*Värnamo*
	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*
	Itsab AB	*Luleå*
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*
	Multiair Endüstriyel Hava Ekipmanları Ticaret A.Ş.	*Istanbul*
	SCS Makina İthalat İhracat Ticaret A.Ş.	*Adana*
	Vakum Teknik Makina A.Ş.	*Istanbul*
Ukraine	Atlas Copco Ukraine LLC	*Kiev*
United Arab Emirates	Atlas Copco Middle East FZE	*Dubai*
	LEWA Middle East FZE	*Sharjah*
	Primax Pumps FZCO	*Dubai*
United Kingdom	Ace Air (NI) Ltd	*Dromara*
	Air Compressors and Tools Limited	*Warrington*
	Anglian Compressors & Equipment Limited	*Peterborough*
	Anglian Compressors Holdings Limited	*Peterborough*
	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*

Country/Area	Company	Location (City)
United Kingdom	Leybold UK Ltd.	*Chessington*
	Manufacturing Service Solutions Limited	*Warwickshire*
	Maziak Compressor Services Limited	*Wellingborough*
	Medi-Teknique Limited	*Manchester*
	MSS Nitrogen Limited	*Warwickshire*
	Nano Purification Solutions Ltd	*Gateshead*
	Northern Compressed Air Ltd	*Leeds*
	Pennine Pneumatic Services Ltd	*Hemel Hempstead*
	Pneumatic Services Limited	*Hemel Hempstead*
	Tentec Ltd.	*Wolverhampton*
	Walker Filtration Ltd. UK	*Washington*
U.S.A	ABC Compressors USA, LLC	*Doral*
	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*
	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*
	Leybold USA Inc.	*Wilmington*
	Montana Instruments Corporation	*Bozeman*
	MSS Americas Inc	*Rock Hill*
	Perceptron Inc.	*Plymouth*
	Perceptron Global Inc.	*Plymouth*
	Powerhouse Equipment & Engineering Co. Inc.	*Delanco*
	Power Technique North America LLC	*Rock Hill*
	Quincy Compressor LLC	*Bay Minette*
	SUTO iTEC Inc.	*Grand Rapids*
	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.

Furthermore, the annual accounts have been prepared in accordance with the sustainability reporting standards adopted pursuant to Article 29b of Directive 2013/34/EU and as well as the specifications adopted pursuant to Article 8.4 of the European Parliament Regulation (EU) 2020/852.

The content of this annual report was approved on March 17, 2026.

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

Our auditor's report regarding the annual accounts and the consolidated accounts and our limited assurance report regarding the statutory sustainability statement was issued on 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, 2026.

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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 93–102 and the statutory sustainability report on pages 31–48 and 52–84, and quarterly data on page 120 for the year 2025. The annual accounts and consolidated accounts of the company are included on pages 5–90 and 93–162 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 2025 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 2025 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 93–102 and the statutory sustainability report on pages 31–48 and 52–84. 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.

Accounting for business combinations

Description

In the fiscal year 2025, Atlas Copco made 29 business combinations for a total consideration of 13.1 billion SEK. The acquired assets and liabilities must be separately identified and valued at fair value at the date of the acquisition. For acquired assets and liabilities for which there is no active market management must apply valuation models and significant estimates in order to determine the fair value.

Disclosures related to the group's accounting principles, significant accounting estimates and judgements are provided in note 1 and disclosures related to the business combinations made are provided in note 2.

Based on the significance of the business combinations made during the year, and the high degree of management's estimate required to account for acquisitions, we have assessed the accounting for business combinations as a key audit matter in our audit.

How our audit addressed this key audit matter

As part of our audit we have evaluated the group's processes related to the accounting for business combinations. For all significant business combinations, we have reviewed the purchase agreements and audited the purchase price allocations. With support from our internal valuation specialists, we have assessed the valuation models applied and the significant estimates used when accounting for the business combinations. The models and estimates have been tested by comparing them to historical outcome, future cash flow forecasts as well as external sources and established valuation techniques. Further we have performed sensitivity analyses for significant estimates as well as benchmark comparisons.

Finally, we have assessed the appropriateness of the disclosures provided in the annual report.

Valuation of goodwill

Description

As at December 31, 2025, the total value of goodwill amounts to 51.2 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 2025 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 the carrying value of the goodwill and the high degree of management's 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 estimates 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.

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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 depends on the contract criteria. 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 disclosures regarding revenue disaggregated by operating segment and geography are provided in note 3.

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 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, 91–92 and 169–171 as well as quarterly data on page 120. 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.

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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 2025 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.

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 2025.

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.

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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.

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 93–102 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.
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 29 April 2025 and has been the company's auditor since 23 April 2020.

Our auditor's report regarding the annual accounts and the consolidated accounts and our limited assurance report regarding the statutory sustainability statement was issued on the date as evidenced by our electronic signature.

Stockholm the date as evidenced by our electronic signature

Ernst & Young AB

Erik Sandström
Authorized Public Accountant

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Auditor's limited assurance report on Atlas Copco AB's sustainability statement

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

Conclusion
We have conducted a limited assurance engagement of the sustainability statement prepared by Atlas Copco AB (the company) for the financial year 2025. The sustainability statement is included on pages 31–48 and 52–84 of this document.

Based on our limited assurance engagement as described in the section Auditor's Responsibility, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects, prepared in accordance with the Swedish Annual Accounts Act, which includes:

- Whether the sustainability statement meets the requirements of ESRS
- Whether the process carried out by the company to identify reported sustainability information has been conducted as described in the sustainability statement; and
- Compliance with the reporting requirements in Article 8 of the EU's Green Taxonomy Regulation.

Basis for Conclusion
We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 – Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility under this recommendation is described in more detail in the section Auditor's Responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Information than the sustainability statement
This document also contains other information than the sustainability statement, found on pages 1–30, 49–51, and 85–171 with the exception of the pages 163–168. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information, and we do not express any conclusion with assurance regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement 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.

Other matter
The disclosures in the sustainability statement regarding the previous financial year have, in certain cases, been subject to a limited assurance engagement in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, applied together with RevR 6 Assurance of Sustainability Information in accordance with the assurance report issued March 19, 2025. Other comparative figures in the sustainability statement for the year 2025 have not been subject to a review.

Responsibilities of the Board of directors and Managing Director
The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express a conclusion whether the sustainability statement is prepared in accordance with Chapter 6, Sections 12–12 f of the Swedish Annual Accounts Act based on our limited assurance engagement.

The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement, and manage a quality management system including guidelines or procedures regarding compliance with ethical requirements, standards of professional practice, and applicable laws and regulations.

We are independent of Atlas Copco AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities according to these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability information. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

Our review procedures regarding the sustainability statement included, but were not limited to the following:

- Through inquiries, obtaining a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluating whether information identified as material through the process the company has undertaken to identify the content of the sustainability statement is also included.
- Evaluating whether the structure and presentation of the sustainability statements are consistent with the requirements of ESRS;

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- Conducting inquiries with relevant personnel and analytical review procedures regarding selected disclosures in the sustainability statements;
- Performing substantive review procedures based on a sample of selected disclosures in the sustainability statements;
- Obtain, through inquiries and analytical review procedures, support for the methods used for preparing material estimates and forward-looking information and on how these methods were applied;

Our review procedures regarding the process the company have undertaken to identify sustainability information to report included, but were not limited to the following:

- Obtaining an understanding of the process by conducting inquiries to understand the sources of the information used by management (e.g., stakeholder dialogues, business plans, and strategy documents), and
- Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our procedures regarding the process implemented by the company aligns with the description of the process on pages 36–37 in the sustainability statement.

Our review procedures regarding the taxonomy disclosures included, but were not limited to the following:

- Obtaining an understanding of the process for identifying economic activities that are covered by and are consistent with the EU Green Taxonomy and the corresponding disclosures in the sustainability statement.
- Conducting inquiries to relevant personnel and analytical review procedures on the taxonomy disclosures;
- Conducting inquiries to understand the sources of the information used in the taxonomy disclosures;
- Evaluating whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation

Inherent limitations

In reporting forward-looking information in accordance with ESRS, the board and management of Atlas Copco AB must prepare forward-looking information based on specified assumptions about events that may occur in the future and possible future activities of Atlas Copco AB. Actual outcomes are likely to differ as expected events often do not occur as anticipated.

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 that 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	2025	2024	2023	2022
Orders, MSEK	165 814	171 115	170 627	158 092
Revenues, MSEK	168 343	176 771	172 664	141 325
Change, organic from volume, price and mix, %	–1	2	14	12
EBITDA, MSEK	43 643	46 951	44 852	36 549
EBITDA margin, %	25.9	26.6	26.0	25.9
Operating profit, MSEK	34 114	38 166	37 091	30 216
Operating profit margin, %	20.3	21.6	21.5	21.4
Net interest expense, MSEK	–282	–258	–521	–166
Profit before tax, MSEK	33 671	37 800	36 442	30 044
Profit margin, %	20.0	21.4	21.1	21.3
Profit for the year, MSEK	26 425	29 794	28 052	23 482

Employees	2025	2024	2023	2022
Average number of employees	55 549	54 206	51 110	45 781
Revenues per employee, SEK thousands	3 031	3 261	3 378	3 087

Cash flow	2025	2024	2023	2022
Operating cash surplus, MSEK	43 349	47 099	45 781	36 978
Cash flow before change in working capital, MSEK	32 897	37 263	35 628	29 600
Change in working capital, MSEK	1 618	2 068	–5 775	–7 415
Cash flow from investing activities, MSEK	–17 620	–13 322	–9 388	–15 503
Gross investments in other property, plant and equipment, MSEK	–4 284	–4 236	–3 987	–3 660
Gross investments in rental equipment, MSEK	–2 032	–2 526	–1 814	–884
Net investments in rental equipment, MSEK	–1 949	–2 444	–1 769	–808
Cash flow from financing activities, MSEK	–16 367	–15 864	–18 276	–14 651
of which dividends paid, MSEK	–14 610	–13 652	–11 211	–9 250
Operating cash flow, MSEK	26 796	30 981	23 192	17 099

Financial position and return	2025	2024	2023	2022
Total assets, MSEK	202 454	208 538	182 684	172 301
Capital turnover ratio	0.83	0.89	0.94	0.91
Capital employed, average MSEK	145 395	138 593	125 133	106 054
Capital employed turnover ratio	1.16	1.28	1.38	1.33
Return on capital employed, %	24	28	30	29
Net indebtedness, MSEK	20 665	18 102	23 441	26 570
Net debt/EBITDA, MSEK	0.5	0.4	0.5	0.7
Equity, MSEK	110 383	113 760	91 500	80 026
Debt/equity ratio, %	19	16	26	33
Equity/assets ratio, %	55	55	50	46
Return on equity, %	24	29	32	32

Key figures per share	2025	2024	2023	2022
Basic earnings / diluted earnings, SEK	5.43/5.42	6.11/6.10	5.76 / 5.75	4.82 / 4.81
Dividend, SEK	3.00*	3.00	2.80	2.30
Dividend as % of basic earnings	55.2	49.1	48.6	47.7
Dividend yield, %	1.8	1.6	1.9	2.0
Extra distribution, SEK	2.00*	–	–	–
Operating cash flow, SEK	5.50	6.36	4.76	3.51
Equity, SEK	23	23	19	16
Share price, December 31, A share / B share, SEK	166.1/149.0	168.9/ 149.5	173.6 / 149.4	123.1 / 111.1
Highest price quoted, A share / B share, SEK	192.4/173.1	206.4/178.5	174.2 / 150.0	161.2 / 136.3
Lowest price quoted, A share / B share, SEK	137.2/121.6	159.8/139.5	119.4 / 106.5	92.5 / 83.2
Average closing price, A share / B share, SEK	162.5/144.1	183.4/160.1	144.2 / 126.1	117.9 / 104.4
Average number of shares, millions	4 868.8	4 873.6	4 871.4	4 868.4
Diluted average number of shares, millions	4 873.0	4 881.7	4 878.9	4 875.9
Number of shareholders, December 31	181 775	141 964	125 893	115 459
Market capitalization, December 31, MSEK	790 096	800 200	815 902	586 731

* Proposed by the Board

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CONTACT INFORMATION

Investor relations

Daniel Althoff, Vice President Investor Relations
ir@atlascopco.com

Sustainability

Anna Sjörén, Vice President Sustainability
sustainability@atlascopco.com

Media

Christina Malmberg Hägerstrand, Media Relations Manager
media@atlascopco.com

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Atlas Copco AB (publ)
SE-105 23 Stockholm, Sweden
Phone: +46 8 743 80 00
Reg. no: 556014-2720

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