

### Leadership in Atlas Copco "Ability to create lasting results"



Atlas Copco Capital Markets Day, December 1, 2010  
Jeanette Livijn  
Vice President Organizational Development and Human Resources

*Sustainable Productivity* 

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### Ability to create lasting results



- Leadership model
- Diversity in management
- Growth market capabilities



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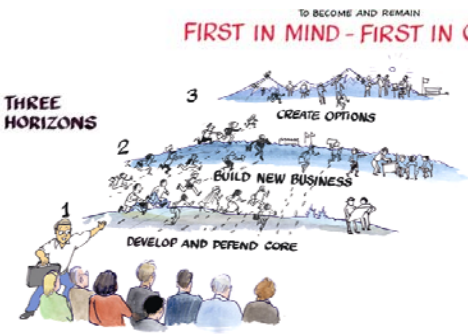
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### Long term and vision driven

TO BECOME AND REMAIN  
**FIRST IN MIND - FIRST IN CHOICE**



**THREE HORIZONS**

- 1 DEVELOP AND DEFEND CORE
- 2 BUILD NEW BUSINESS
- 3 CREATE OPTIONS



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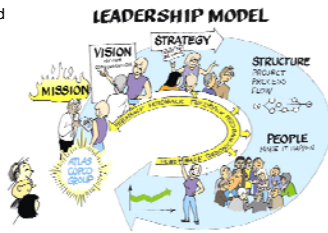
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**Result focused and performance oriented**

- Transparency in strategies and expectations
- Ownership and clarity in roles and responsibilities
- Freedom with accountability
- Strive for innovation and continuous improvements
  - There is always a better way



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**Vital organization, reflecting outlined strategy**

**Open internal job and project market**

- Mission is between 3-5 years
- All positions in all countries are advertised internally
- Managers grow employees for the Group
- Attracts and promotes talent globally
- Equal opportunities
- Goal is 85% internally recruited managers



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**Strong company culture**



We are cost conscious



We solve problems directly



We know there is always a better way



We reward result and performance



We have open communication and raise red flags



We focus on the right task



We honor our commitments



We know that asking for help is a sign of maturity



We are fair and have high ethical standards

Interaction - Commitment - Innovation



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### Decentralized structure

- Divisional presidents (19) have our highest operational responsibility
- Clear accountability for consolidated P/L and working capital in all 400 business units
- Advanced business control system to follow up trends and results on a monthly basis
- Gives speed and agility
- Supports innovation and entrepreneurial spirit




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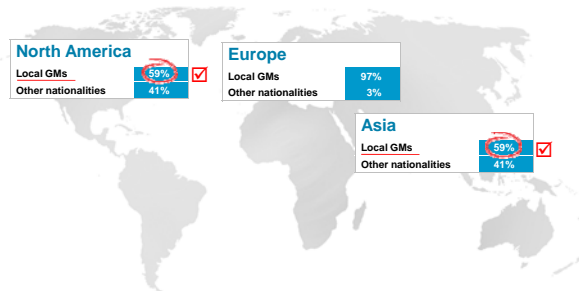
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### Our challenge 10-15 years ago...

... to develop local leadership capabilities in our growth markets




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### Our challenge today and for the future...

... to develop global leadership capabilities from our growth markets

- We have 39 nationalities among our top 300+ managers
- We have 15 nationalities in our divisional management teams
- New Group-wide leadership program for management development in the growth markets
- Short term project assignments for developing talents from growth markets
- Technology to support work on distance
- Senior management located in Asia

**Europe**

Share of revenues 36%

Share of GM & Pres 66%

**Asia**

Share of revenues 26%

Share of GM & Pres 16%

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### Our challenge today and for the future...

...is also gender diversity


- Yearly targets for increased female managers
- Quarterly follow up of candidates and appointments
- Install female network globally and locally to support

**KEEP** 

- Quotas in training programs
- Mentor programs & short term assignments
- Strong focus on female high potentials

**DEVELOP** 

- Gender rule for recruiting graduates
- Gender branding and awareness
- Learn about female recruitment channels

**ATTRACT** 

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### Ability to create lasting results

**Agenda**

- Leadership model
- Diversity in management
- Growth market capabilities

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### Attract - First in Mind—First in Choice®

- Career opportunities, competence development and company culture attracts talent
- Local employer branding with global co-ordination and support
  - Campus recruitments
  - Lectures at campus
  - Scholarships
  - Management school co-operations
  - Employer branding at product exhibitions
  - Active in social media
  - CSR activities



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### Develop - First in Mind—First in Choice®

- 70%+ of all Managers in Asia are internally recruited
- Extensive training to secure competence for our
  - 7 700 employees
  - 175 field offices for 17 brands
  - >900 distributors
  - 17 manufacturing facilities
  - Product design and development centers



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### Keep - First in Mind–First in Choice ®

- Company culture
- Transparent job market
- Extensive training – ACademy
- Active career development
- Pension plan
- International project and job opportunities

#### Employee turnover China

Quarter	Voluntary resignation Atlas Copco China, Salaried, %	China National Voluntary Turnover, Salaried, % (all industries, Mercer)
Q3 2006	~5.5	~12.5
Q3 2007	~6.5	~14.5
Q3 2008	~5.5	~16.5
Q3 2009	~4.5	~17.5
Q3 2010	~5.5	~18.5

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### Ability to create lasting results

Summary

- Leadership model
- Diversity in management
- Growth market capabilities

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### A GROUP TO BE PROUD OF

### WE MAKE IT HAPPEN

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