

ATLAS COPCO IAS UK LIMITED GENDER PAY GAP REPORT

To succeed, we need highly competent, creative and dedicated employees, and they will join us if they consider Atlas Copco to be a good employer and a responsible corporate citizen. This includes offering growth opportunities, preventing corruption and protecting the environment. Furthermore, we encourage diversity since this makes us stronger. To treat everyone with equal respect, regardless of gender, age or background is an important part of our company culture.

– Mats Rahmstrom, CEO Atlas Copco



Our Organisation

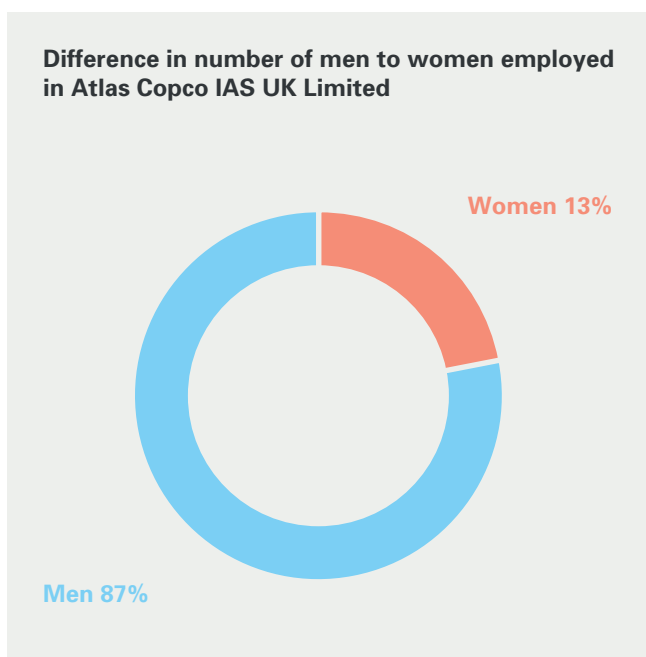
One of our key goals is to foster a diverse, thriving and attractive environment for our current and future employees in order to secure optimal engagement and excellent output.

We recognize that to achieve this we must treat all employees equally on a consistent basis. Providing equal pay for equal work is in line with the values within our Company locally and the Atlas Copco Group globally.

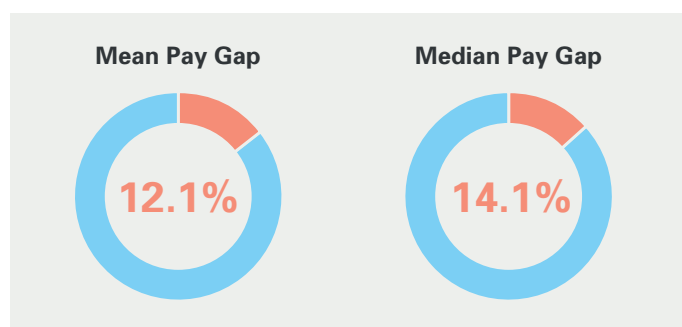
Gender Pay Gap Report

In order to highlight gender pay equality the UK Government has now laid down a requirement for all organisations with more than 250 employees to annually publish their own gender pay data which must also be published on the Government website.

This report sets out the first Atlas Copco IAS UK Limited gender pay gap report.



Atlas Copco IAS UK Limited Gender Pay



These figures show the difference between the mean pay gap and the median pay gap of all male and female employees regardless of position in the Company shown as a percentage of male employees pay.

Our average pay gap is 12.1%. This is lower than the UK average pay gap which is 17.9%

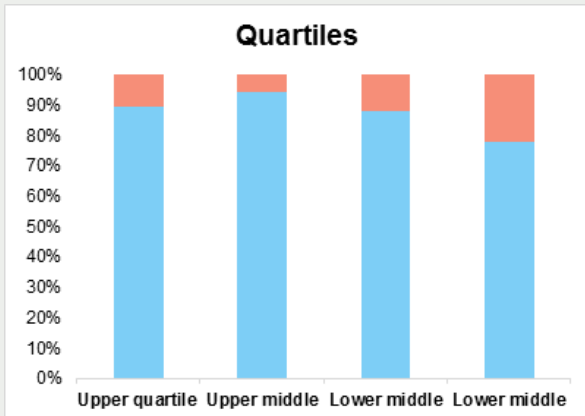
**Office Of National Statistics 2018*

Whilst male and female employees are paid equally for equivalent work, we employ significantly more men than women and a higher proportion of our senior management positions are held by men. This is not an unusual statistic for an engineering and manufacturing company like ours and in fact is similar in many of the countries that Atlas Copco operates in around the world.

Many of the positions we employ require qualifications in mechanical and/or electrical engineering and other STEM subjects. We are proud to employ some talented women in this part of our workforce however the reality of the UK labour market is that there are far fewer women available with such qualifications and therefore a smaller talent pool of females to recruit from.

Consequently many of our women occupy non-engineering roles and work within areas such as Finance, Human Resources and administration.

Gender Pay Gap Quartile analysis



The chart above shows the gender pay distribution for all employees based on the four pay quartiles as of 5 April 2018. The trends identified in each quartile are reflective of the percentage split of male/female employees in our company and that 75% of our total management team was made up of men. It is also a reflection of the nature of our business and the industries in which we operate.

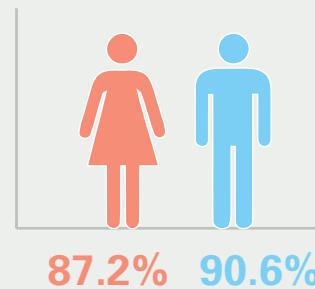
However we realize that we need to work towards an equal distribution of male and female employees across all levels and we are reviewing our recruitment processes to attract more female candidates for the vacancies we have. We recognize that industrial engineering is already well documented for its under representation of women, therefore we also acknowledge that progress will be slow. In order to impact this in a meaningful way, we recognize that as a Company we have a duty to challenge the stereotypes and improve the awareness of female students regarding what careers in engineering and manufacturing really look like before they make career options in schools. To this end we are preparing to embark on a long term initiative with local secondary schools to do just this but we believe in equality so our initiative will be open to female and male students in equal number.

Bonus gender pay gap

All employees (excluding senior managers) are given equal opportunity to participate in our annual bonus scheme.

90.6% of men and 87.2% of women received bonus pay. The slight disparity is influenced by qualification rules for the scheme in that the scheme is paid with a time lag and so there were more men than women in our employment at 5 April 2018 than eligible for the scheme payment which related to the previous calendar year.

Proportion of Males and Females Receiving a Bonus Payment



Average (mean) male bonus earnings are 46.3% higher than female bonus earnings.

Average (median) male bonus earnings are 9.19% higher than median female bonus earnings.

This is reflective of the fact that 75% of our senior managers are male and subject to a different bonus scheme.

Atlas Copco's Commitment

We are committed to providing and creating an inclusive place to work as we recognize that gender diversity is key for our future and long term success.

We can confirm the information and data in this report is accurate as of the snapshot 5 April 2018

Christopher Clarke, General Manager
Atlas Copco IAS UK Limited