

# Other GRI indicators

## Environment

Environmental performance data for 2013 was sourced from more than 550 ABB sites and offices, covering 88 percent of employees. The environmental performance of the remaining employees, located in non-manufacturing entities without significant impacts, is covered by estimated data for energy, water and waste parameters.

The estimation factors used for 2013 are as follows:

	Unit	Factor
Electricity consumption	MWh/employee	3.1
District heat consumption	MWh/employee	1.7
Gas consumption	MWh/employee	5.1
Water purchased from utilities	tons/employee	14.4
General waste sent for disposal	tons/employee	0.11
General waste sent for recycling	tons/employee	0.04

## EN11 and EN12 – activities in areas of high biodiversity value

ABB's manufacturing and workshop facilities are not located in, or adjacent to, protected areas or areas of high biodiversity value, as defined in internationally recognized listings or national legislation or internationally recognized listings such as the International Union for Conservation of Nature Protected Areas Categories 1–4, world heritage sites or biosphere reserves. Nonetheless, ABB works to rehabilitate our own sites and some of our operations are working with partners to contribute to local biodiversity and conservation efforts.

## EN16, EN17 Greenhouse gas emissions

(kilotons CO<sub>2</sub> equivalents)

## EN29 Significant environmental impacts of transportation

(kilotons CO<sub>2</sub> equivalents)

	2013 <sup>b</sup>	2012 <sup>a</sup>	2011 <sup>a</sup>	2010
<b>Scope 1</b>				
CO <sub>2</sub> from use of energy	179	137	144	117
SF <sub>6</sub>	280	332	263	247
CO <sub>2</sub> from transport by own fleet <sup>c</sup>	350	350	350	350
<b>Scope 2</b>				
District heat consumption	55	48	43	49
District heat: Losses at utilities	8	7	7	8
Electricity consumption	357	337	348	293
Electricity: Losses at utilities	493	465	480	405
<b>Scope 3</b>				
Air travel <sup>d,e</sup>	152	171	185	160

<sup>a</sup> Baldor facilities included; Thomas & Betts not included

<sup>b</sup> Baldor and Thomas & Betts facilities included

<sup>c</sup> Estimated figures, not included in the scope of DNV assurance

<sup>d</sup> 2013 data for air travel do not include Thomas & Betts

<sup>e</sup> 2013 data for air travel are calculated using the emission factors published by UK Department of Environment, Food and Rural Affairs (DEFRA) in its 2012 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting. Data from 2012 and 2011 were calculated according to emissions factors provided by DEFRA in its 2009 Guidelines. Use of the 2012 factors gives a slightly lower total. For comparison, ABB's air travel emissions for 2012 were calculated using the 2012 emission factors = 165 kton CO<sub>2</sub> equivalent

## EN19 Emissions of Volatile Organic Compounds (tons)

	2013 <sup>c</sup>	2012 <sup>b</sup>	2011 <sup>a</sup>	2010
Volatile Organic Compounds (VOC)	1,210	1,355	810	786
Chlorinated Volatile Organic Compounds (VOC-Cl)	20	12	13	11

<sup>a</sup> Baldor facilities not included

<sup>b</sup> Baldor facilities included; Thomas & Betts facilities not included

<sup>c</sup> Baldor and Thomas & Betts facilities included

The major constituents of VOCs and VOC-Cl are xylene, thinner and perchloroethylene. The significant increase in 2012 was due to the inclusion of Baldor facilities.

## EN20 Emissions of NO<sub>x</sub> and SO<sub>x</sub> (tons SO<sub>2</sub> and NO<sub>2</sub>)

	2013 <sup>c</sup>	2012 <sup>b</sup>	2011 <sup>a</sup>	2010
SO <sub>x</sub> from burning coal	3	0	0	0
SO <sub>x</sub> from burning oil	69	69	68	84
NO <sub>x</sub> from burning coal	2	0	0	0
NO <sub>x</sub> from burning oil	52	52	51	63
NO <sub>x</sub> from burning gas	163	120	90	92

<sup>a</sup> Baldor facilities not included

<sup>b</sup> Baldor facilities included; Thomas & Betts facilities not included

<sup>c</sup> Baldor and Thomas & Betts facilities included

These figures are for fossil fuels consumed in ABB premises for heating and process purposes. The significant increases in NO<sub>x</sub> from burning gas are due to the inclusion of Baldor facilities in 2012 and of Thomas & Betts facilities in 2013. Many of these facilities use higher quantities of gas than the existing ABB facilities.

## EN23 Numbers of significant spills

## EN28 Significant fines for non-compliance

Number of incidents	2013 <sup>c</sup>	2012 <sup>b</sup>	2011 <sup>a</sup>	2010
Oil spills	13	6	5	4
Chemical spills	0	0	0	0
Emissions to air	3	5	4	0
Others	4	0	0	3

<sup>a</sup> Baldor facilities not included

<sup>b</sup> Baldor facilities included; Thomas & Betts facilities not included

<sup>c</sup> Baldor and Thomas & Betts facilities included

The emissions to air involved the accidental release of SF<sub>6</sub> gas in one incident, the release of HCFC-22 from an air conditioning system and a permit exceedance on the emission of toluene. The oil spills were contained and adequate decontamination procedures were implemented to prevent any permanent contamination of soil and water. Other incidents were related to exceedances on stormwater contaminants. Root causes of the incidents were analyzed and corrective actions, such as improved control systems, upgraded secondary containment and additional training, have been taken to reduce the risk of future spills or emissions. None of the incidents re-

sulted in significant environmental impact. Combined costs of remediation and corrective actions were approximately \$260,000.

During 2013, three facilities received fines from environmental authorities – two related to hazardous waste and one related to a permit exceedance on waste water. In total the fines amounted to approximately \$8,400.

## Human rights

### HR1 Significant investment agreements that include Human rights

ABB maintains and regularly reviews a list of sensitive countries where it has, or considers engaging in, business operations. Human rights, as well as legal, financial and security criteria, are included in risk assessments, and are among the factors in deciding whether ABB does business in a particular country.

Based partly or wholly on human rights considerations, ABB has not taken any business in Sudan or North Korea for several years.

### HR4 Non-discrimination violations

All countries in ABB's sustainability management program are asked to report any incidents of discrimination. There were 10 substantiated cases of harassment and one of discrimination in 2013, resulting in one termination, one resignation and a range of other measures, including formal warnings, counseling and further training.

### HR5, HR6, HR7 Operations at risk

Freedom of association and collective bargaining, child labor, forced or compulsory labor.

There were no ABB operations identified during 2013 to be at significant risk concerning employee rights to freedom of association and collective bargaining, incidents of child labor, or incidents of forced or compulsory labor. Two cases of child labor were found at a sub-contractor of a newly-acquired company. Remedial action was taken immediately and no evidence of child labor was found during subsequent unannounced visits to the sub-contractor.

### HR8 Training of security personnel in human rights

ABB recognizes the importance of training security personnel, as well as ABB country and regional managers, on the human rights dimensions of security work. It has been part of general security training in different parts of the world for several years. As far as security personnel are concerned,

ABB recognizes it is essential that they observe human rights. We require due diligence to be carried out on security companies according to ABB and international standards.

### HR9 Indigenous rights violations

All countries in ABB's sustainability management program are asked to report any incidents of indigenous rights violations. No such incidents were reported in 2013.

### HR10 Percentage of total number of operations that have been subject to human rights reviews and/or impact assessments

This data is not available. ABB is involved as a supplier in thousands of projects worldwide each year. Depending on the scope and size of the project – such as larger power infrastructure projects – some will require at least an Environmental and Social Impact Assessment performed by the customer. The data is currently not consolidated by ABB.

### HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanism.

ABB has a number of formal grievance mechanisms, including a third-party run Business Ethics hotline available round the clock to internal and external stakeholders, and an Ombuds Program, where employees can report concerns confidentially. Figures are available for cases of discrimination and harassment (HR 4).

## Labor practices

### LA3 Benefits provided to employees

ABB, as a multinational organization with operations in around 100 countries, has difficulty in providing meaningful information for this indicator. ABB provides competitive salaries and benefits to employees, taking legal requirements into account and benchmarking against other companies. In view of the different legal requirements from country to country, and the adverse cost-benefit ratio in producing this information, ABB has decided not to report against this GRI indicator.

### LA4 Employees covered by collective bargaining agreements

The proportion of our employees that are represented by labor unions or are the subject of collective bargaining agreements varies based on the labor practices of each country in which we operate. Collective bargaining agreements are subject to various regulatory requirements and are renegotiated on a regular basis in the normal course of business.

#### **LA5 Minimum notice periods regarding significant operational changes**

ABB is not in a position to provide Group-wide aggregated information, as the figures vary from country to country depending on local regulations. For the 27 countries of the European Union, ABB is represented on the EU's European Works Council where such matters are discussed.

#### **LA6 Percentage of total workforce represented in health and safety committees**

Health and safety consultation is an integral part of ABB's commitment to introduce into all businesses occupational health and safety management systems based on OHSAS 18001 and the International Labour Organization (ILO) guidelines. The form of health and safety consultation with employees varies according to local requirements and cultures. It includes health and safety committees and employee forums.

At Group level, ABB has a standing Occupational Health and Safety (OHS) committee chaired by an Executive Committee member whose mandate covers all employees.

#### **LA8 Programs in place regarding serious diseases**

More than 30 ABB country organizations report programs in place to address serious diseases. The majority of programs include stress management, health screening for conditions such as diabetes and hypertension, and counseling schemes to assist employees to maintain healthy lifestyles and a suitable work-life balance. Other initiatives include vaccination programs and cancer screening.

Additionally, all ABB travelers receive destination-specific security and health advice prior to travel. The health advice includes medical preparedness, medical screening where needed and advice on particular health risks at their destination.

#### **LA9 Health and safety topics covered in formal agreements with trade unions**

This information is not recorded by the Group, but local legislation requires formal agreements in some countries such as Germany and South Africa. Group health and safety performance is reported annually by the head of Group Function Sustainability Affairs at a meeting with the European Works Council.

#### **LA12 Employees receiving performance reviews**

ABB has a Group-wide policy to review at least annually the performance of every employee, providing opportunities to discuss work achievements, set future objectives and provide feedback and coaching.

#### **LA13 Other indicators of diversity**

As at December 31, 2013, ABB's Board of Directors had eight members – seven men and one woman – of seven nationalities, whereas the Group Executive Committee had 11 members, including one woman, of eight nationalities. In addition, of the 750-strong workforce based at the company's headquarters in Zurich, there are people from 54 countries.

#### **LA14 Ratio of basic salary of men to women**

In ABB, salaries are decided according to the nature of duties performed.

#### **LA15 Return to work and retention rates after parental leave**

Just over 2,600 employees took parental leave in 2013, two-thirds of whom were women. Following completion of parental leave, 84 employees – around 3 percent – did not return to work. Women accounted for 95 percent of those not returning.

### **Society**

#### **SO2 Business units analyzed for corruption risks**

ABB's internal audit team carries out an annual risk assessment as the basis for their audit planning for the following year. They carry out anti-bribery compliance reviews of business units and countries globally. In these reviews, ABB's internal auditors review business processes, accounts and balances, and test transactions to assess robustness of controls and identify possible violations of ABB's anti-bribery procedures.

#### **SO3 Employees trained in anti-corruption procedures**

Substantially all employees have completed training on ABB's Code of Conduct. In addition, approximately 99 percent of all employees received training on anti-corruption procedures.

#### **SO4 Actions taken in response to corruption**

ABB applies a strict zero tolerance policy to combat corruption payments. Every incident is sanctioned, and may include termination of employment. In 2013 ABB identified four incidents of corruption of a government official. During the year nine employees were dismissed.

#### **SO6 Political contributions**

Under ABB's Code of Conduct, contributions to political parties, politicians and related institutions are to be made only in exceptional cases and only after a rigorous approval process which includes the approval of the Chief Integrity Officer. In 2013 no contributions were made.

#### **S07 Legal actions for anti-competitive behavior**

ABB has been cooperating with various anti-trust authorities regarding their investigations into certain alleged anti-competitive practices. For further information, please refer to the Commitments and contingencies note in the Notes to the Consolidated Financial Statements contained in the ABB Group Annual Report.

#### **S08 Significant fines and sanctions for non-compliance with laws and regulations**

ABB did not face any significant fines or sanctions for non-compliance with laws and regulations in 2013. For further information, please refer to the Commitments and contingencies note in the Notes to the Consolidated Financial Statements contained in the ABB Group Annual Report.

#### **Product responsibility**

##### **PR1 Health and safety impacts of our products**

ABB products generally help improve users' health and safety. They do this, for example, by improving industrial environments (automation control products), reducing exposure to aggressive, repetitive or hazardous operations (robotics), and reducing potential explosions, fire risks and oil pollution (oil-free capacitors and cables). Products with a potentially negative impact are those that could contribute to global warming (leak of SF<sub>6</sub> gas from substations), require deforestation and present a visual impact (transmission lines), cause losses of energy (most electrical products), or cause electrocution if misused.

##### **PR2 Number of non-compliance incidents relating to product health and safety**

All countries in ABB's sustainability management program are asked to give details of any non-compliance incidents, including those concerning health and safety impacts of products and services. No incidents were reported for 2013.

##### **PR3 Product and service information**

ABB's goal is to produce Environmental Product Declarations (EPDs) for our core products. They describe and quantify the environmental impact and performance of ABB products through every phase of their life cycles, covering raw material extraction, component manufacture, transportation and use over their full operating lifetime. They can also contain recovery, recycling and disposal instructions for when the product has completed its useful life. The EPDs are published on ABB's website and help customers to select products that will improve their own environmental performance. ABB also engages with customers with particular reporting needs, to ensure clarity and completeness of environmental data.

##### **PR4 Non-compliance concerning product information and labeling**

During 2013, ABB received five related complaints related to product information or labeling. Three of these cases have been resolved with the payment of approximately \$1,000 in penalties. The remaining two cases are pending.

##### **PR6 Adherence to marketing communication regulations**

##### **PR7 Non-compliance concerning marketing communications**

This is not an issue for ABB, which works in the field of advanced technologies and does not supply to the consumer product market.

##### **PR8 Complaints regarding breaches of customer privacy**

No complaints regarding breaches of customer privacy were received during 2013.

##### **PR9 Significant fines for non-compliance with laws and regulations concerning products and services**

No significant fines were levied against the company during 2013 for non-compliance related to products and services.

#### **Economic**

##### **EC3 Benefit plan obligations**

##### **EC4 Government financial assistance**

##### **EC5 Wage level ratios**

##### **EC7 Local hiring procedures**

As a multinational organization with operations on approximately 550 sites in more than 100 countries, ABB has difficulty in selecting appropriate countries and providing meaningful information for these indicators. In view of the adverse cost-benefit ratio in producing this information, ABB has decided not to report against these GRI economic performance indicators for the time being.