

Sustainability governance

Embedding in the day-to-day

ABB's vision is to provide "Power and productivity for a better world." Our technologies help to make the world a better place by contributing to the economic success of our customers, the development of society and the reduction of environmental impact.

Sustainability principles and considerations are embedded in ABB's business strategy and guide what we manufacture, how we operate the company and the way we behave towards stakeholders.

Our sustainability strategy is aligned with corporate strategy and is supported by objectives that address ABB's activities and impacts along the value chain. Progress towards our objectives is driven through all levels the business, from Executive Committee endorsement, through operational review and target setting in business units and countries to local training and execution at site, supported by sustainability specialists at Group, country and local level.

Sustainability Board

Our Sustainability Board, comprising the ABB Executive Committee, oversees sustainability policies and programs, reviews developments and monitors progress towards our targets on an annual basis. Executive Committee Member Jean-Christophe Deslarzes is responsible for the ABB Sustainability Affairs organization. He succeeded Gary Steel who held this position since 2003 and under whose watch many improvements – including ABB's global health and safety program – were initiated.

In 2013, the Sustainability Board reviewed and approved new Group sustainability objectives for 2014–2020. The objectives were developed as a result of extensive consultations about sustainability expectations across our businesses and with a range of external stakeholders. This process and the objectives are described in [more detail](#) later in this report.

Group sustainability team

The ABB Sustainability Affairs organization is responsible for the development and coordination of policies and programs covering health and safety, environment, corporate responsibility and security and crisis management. The team coordinates internal reporting across these disciplines and is responsible for the development of the Group Sustainability Performance Report.

During 2013 we continued our work to enhance career development and to strengthen the capability of our sustainability network. Our comprehensive sustainability competency man-

360+ locations certified to ISO 14001 and OHSAS 18001

agement program, covering the fields of environment, occupational health and safety, security and corporate responsibility, was successfully piloted in several countries and global roll out is scheduled during 2014. We also worked to reinforce the sustainability governance framework at all levels of our business, with the goal to ensure sustainability responsibilities are simple, effective, well understood and embedded in day-to-day business.

Global sustainability network

A network of sustainability specialists worldwide reports to – and supports – the Sustainability Affairs management team. In countries where ABB entities have or could have significant sustainability impacts, we have appointed country sustainability controllers, country health and safety advisors and country security managers responsible for ABB's sustainability management program, to implement our sustainability objectives and gather the data consolidated in this report. All eight regions where ABB operates have regional health and safety advisors and corporate security managers.

The country and regional specialists are supported by local sustainability officers and health and safety advisors. Overall, the sustainability network is supported by a team of some 900 employees, full-time and part-time, at headquarters and around the world.

Sustainability risks and opportunities are also investigated in coordination with business divisions and other Group functions, e.g. Mergers and Acquisitions (due diligence), Real Estate and Insurance (real estate liabilities, security and site risk), Supply Chain Management (supplier assessments and development), Internal Audit and ABB's bid evaluation committee (customer and project risk assessments).

Sustainability policies, principles and external initiatives

We have implemented environmental, social, human rights, and health and safety policies and a Supplier Code of Conduct. These [policies](#) include references to international standards to which they relate. For example, the human rights and social policies draw on the Universal Declaration of Human Rights, the ILO Core Conventions on Labor Standards, the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the Social Accountability 8000 standard.



ABB is a signatory to the World Economic Forum’s “Partnering Against Corruption Initiative” (PACI). The initiative is focused on activities that are likely to deliver the greatest impact and build on the global momentum to fight corruption.

As a founder member of the United Nations Global Compact, ABB has been closely involved in its development. ABB’s understanding of human rights and day-to-day business benefits from involvement in such organizations.

In addition, ABB has taken note of the UN Guiding Principles on Business and Human Rights and is using its recommendations to assess expectations of corporate behavior. We have also taken note of ISO 26000 on Social Responsibility.

ABB has adopted ISO 14001 for environmental management systems; ISO/TR 14025 for Environmental Product Declarations; ISO 14040–45 for Life Cycle Assessments; and ISO 19011 for environmental auditing of organizations. We have incorporated the principles of OHSAS 18001, the International Labour Organization (ILO) guidelines on occupational health and safety management systems, and the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases into our health and safety program.

ABB facilities are encouraged to implement integrated management systems for environmental, health and safety and quality issues, with more than 350 sites and offices now using integrated systems. Globally, we have achieved external certification for environmental management systems at 360 sites and offices and for health and safety management systems at 362 locations.

Approach to sustainability reporting

We aim to cover all ABB Group companies in our formal sustainability reporting system, including wholly owned subsidiaries and majority-owned joint ventures worldwide that might have significant sustainability impacts. Thomas & Betts (T&B), a company acquired in May 2012, is now integrated into this system. Integration of companies acquired during 2013 is continuing and data collection for environmental parameters, health and safety and corporate responsibility will be implemented during 2014.

Data in this report relating to social performance covers 94 percent of ABB employees, whereas data relating to environmental performance 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.

We use three online data reporting questionnaires to measure and collect performance data throughout the Group via the ABB intranet – an annual social report from every country, an annual environment report from every site and a monthly health and safety report from every country which consolidates inputs from all entities in the respective country.