

# Approach to sustainability reporting

## Reporting boundaries

We aim to cover all ABB Group companies in our formal sustainability reporting system, including wholly-owned subsidiaries and majority-owned joint ventures worldwide. In 2014, our environmental and social reporting did not cover ABB Technologies Ltd., Haifa or ABB Ltd., Kiev. A full list of direct and indirect subsidiaries is shown in our Annual Report 2014.

Entities acquired during 2013 – Power-One, Newron, ELBI Elektrik, Los Gatos and Dynamotive – are now integrated into this system. Integration of companies acquired during 2014 is continuing and data collection for environmental parameters, health and safety and corporate responsibility will be implemented during 2015.

During 2014, we divested several businesses – the HVAC and Steel Structures businesses of Thomas & Betts, the Power Solutions business of Power-One and the Business Unit Full Service. As the Full Service transaction closed on December 30, we include the results from that business in this report; results from the other divested businesses were not collected for 2014.

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 manufacturing and service site and the majority of office locations; a monthly health and safety report from every country, which consolidates inputs from all entities in the respective country.

Data in this report relating to social performance covers approximately 98 percent of ABB employees, whereas data relating to environmental performance was sourced from more than 570 ABB sites and offices, covering approximately 93 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 2014 are as follows

	Unit	Factor
Electricity consumption	MWh/employee	2.8
District heat consumption	MWh/employee	1.5
Gas consumption*	MWh/employee	0.6
Water purchased from utilities	tons/employee	13.9
General waste sent for disposal	tons/employee	0.08
General waste sent for recycling	tons/employee	0.03

\* In the Sustainability Report 2013, we incorrectly reported the 2013 estimation factor for gas consumption as 5.1 MWh/employee. The factor used in calculations was 0.8 MWh/employee.

## Calculation of energy and greenhouse gas data

During 2014, we updated our method for calculating greenhouse gas emissions (GHG). For purchased electricity and district heat, we have obtained local CO<sub>2</sub> emission factors from suppliers. Where those factors were not available, we have sourced factors from the IEA CO<sub>2</sub> Emissions from Fuel Combustion, 2013. Fuel emission factors are sourced from the GHG Protocol's Emission Factors from Cross Sector Tools (April 2014).

We will report GHG emissions according to this new methodology starting with our 2015 Sustainability Performance Report.

The 2014 energy and GHG data contained in this report are calculated according to our previous methodology, using global GHG emission factors. NOTE that we have discontinued calculating "losses at utilities" for purchased electricity and district heat and have removed those values from the 2010–2013 energy data reported here.

## Assurance process

ABB believes in the importance of independent external assurance to enhance the credibility of our sustainability report. The independent assurance provider DNV GL have provided assurance of environmental and social performance indicators, as shown in the Summary of performance indicators table, and have reviewed key data and claims in the report and the data reported against our Sustainability Objectives 2014–2020. Their statement appears on page 58 of this report.