

# Other GRI indicators

## Environment

### EN24 Numbers of significant spills

The spills identified in the Summary of main performance indicators table were disclosed as incidents without “material environmental impact” in ABB’s Form 20-F for fiscal year ended December 31, 2014.

### EN29 Significant fines for non-compliance

ABB did not pay any significant fines for non-compliance with environmental laws and regulations in 2014.

### EN31 Environmental protection expenditures

Combined costs of remediation and corrective actions to address the spills reported under EN24 were approximately \$340,000.

### EN32 Percentage of new suppliers that were screened using environmental criteria

All new suppliers are required to agree to ABB’s Supplier Code of Conduct which emphasizes environmental management and material compliance among other issues. ABB applies a further checklist (part of the Achilles pre-qualification process) for key suppliers above a certain threshold, which includes questions on environmental management.

### EN34 Number of grievances about environmental impacts 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, if they wish, confidentially.

## Labor practices

### LA2 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.

### LA3 Return to work and retention rates after parental leave

Almost 3,460 employees took parental leave in 2014, around half of whom were women. Following completion of parental leave, 136 employees – around 4 percent – did not return to work. Women accounted for 90 percent of those not returning.

### LA4 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.

### LA5 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.

### LA8 Health and safety topics covered in formal agreements with trade unions

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.

#### **LA14 Percentage of new suppliers that were screened using labor practices criteria**

All new suppliers are required to agree to ABB's Supplier Code of Conduct which emphasizes human rights and fair labor conditions among other issues. ABB applies a further checklist (part of the Achilles pre-qualification process) for key suppliers above a certain threshold, which includes questions on labor conditions.

#### **LA16 Number of grievances about labor practices 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, if they wish, confidentially. Figures are available for cases of discrimination and harassment (HR 4).

#### **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.

##### **HR3 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 2014, resulting in five terminations, and a range of other measures, including formal warnings, counseling and further training.

##### **HR4, HR5, HR6, Operations at risk: Freedom of association and collective bargaining, child labor, forced or compulsory labor**

There were no ABB operations identified during 2014 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.

##### **HR7 Training of security personnel in human right**

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. In 2014, internal checklists for security providers were strengthened, and clauses on human rights were introduced into new contracts with private security providers. The wording is drawn from the Voluntary Principles on Security and Human Rights and the International Code of Conduct for private security providers.

##### **HR8 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 2014.

##### **HR9 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.

##### **HR10 Percentage of new suppliers that were screened using human rights criteria**

All new suppliers are required to agree to ABB's Supplier Code of Conduct which emphasizes labor and human rights among other issues. ABB applies a further checklist (part of the Achilles pre-qualification process) for key suppliers above a certain threshold, which includes questions on human rights.

### **HR11 Human rights impacts in the supply chain and actions taken**

All new suppliers are required to commit to ABB's Supplier Code of Conduct which emphasizes labor and human rights among other issues. ABB is also using a supplier self-evaluation checklist (part of the Achilles pre-qualification process) for key suppliers, which includes questions on human rights. This is supplemented by a contractual obligation on suppliers to deliver goods or services in accordance with the ABB Supplier Code of Conduct. There is also an annual supplier performance evaluation on ABB's key suppliers, which includes an evaluation criterion relating to labor and human rights. A total of 7,132 evaluations were carried out in 2014. In addition, more focused assessments are carried out on key suppliers in high risk countries under the Supplier Sustainability Development Program, and corrective action plans and timelines are then agreed with suppliers. ABB publishes a list of the 10 most frequent issues discovered during assessments (see Responsible sourcing chapter for more information). In 2014, ABB found no evidence of child or forced labor in the supply chain.

### **HR12 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, if they wish, confidentially. Figures are available for cases of discrimination and harassment (HR 4).

## **Society**

### **SO4 Employees trained in anti-corruption procedures**

Substantially all employees have completed training on ABB's Code of Conduct, including anti-corruption. During 2014 we rolled out a new, mandatory on-line learning on "Global anti-bribery: Don't look the other way". At the end of 2014 the completion rate was nearly 93 percent for employees with an email address. Regular and wide-ranging communications activities ensure that employees in every location are fully aware of ABB's commitment to integrity and of the consequences of unethical action. These activities include publication of cases of consequence, integrity updates, "What Should I do?" (Q&A), video messages, newsletters and blog discussions.

### **SO5 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 2014 ABB identified four incidents of corruption of a government official. During the year three 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 2014, ABB Inc. in the United States made employee-raised donations through its Political Action Committee for a total amount of \$13,000. These donations have been vetted as part of ABB's approval process. In addition they have been disclosed/lodged with the relevant government authority in the United States.

### **SO7 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.

### **SO8 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 2014. 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.

Development of products is guided by the ABB Gate Model, which includes a mandatory Health, Safety and Environment checklist.

#### **PR2 Number of non-compliance incidents relating to product and services 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. One incident of non-compliance with safety regulations resulting in a fine was reported for 2014.

#### **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 2014, ABB received one complaint related to product information or labeling. This was resolved with the payment of a penalty.

#### **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 2014.

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

No significant fines were levied against the company during 2014 for non-compliance related to products and services.

### **Economic**

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

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

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

#### **EC6 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.