

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 2015, our environmental and social reporting did not cover SARPI – Société Algérienne pour la réalisation de projets industriels, Alger. A full list of direct and indirect subsidiaries is shown in our Annual Report 2015.

Changes in 2015

Entities acquired during 2014, the most significant of which was Spirit IT of the Netherlands, are now integrated into ABB's sustainability reporting system. Integration of companies acquired during 2015, including Striebel and John, CGM Group, gomtec GmbH and Viola Systems, is continuing. Data collection for environmental parameters, health and safety and corporate responsibility will be implemented during 2016.

Data collection processes

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 substantially all ABB employees, whereas data relating to environmental performance was sourced from more than 600 ABB sites and offices, covering approximately 95 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 2015 are as follows:

	Unit	Factor
Electricity consumption	MWh/employee	2.9
District heat consumption	MWh/employee	1.3
Gas consumption	MWh/employee	0.6
Water purchased from utilities	tons/employee	13.8
General waste sent for disposal	tons/employee	0.09
General waste sent for recycling	tons/employee	0.05

Calculation of energy and greenhouse gas data

In this report, we have used an updated methodology to account for greenhouse gas emissions (GHG). For purchased electricity and district heat, we have obtained local CO₂ emission factors from suppliers. Where those factors were not available, we have sourced factors from the IEA CO₂ Emis-

sions from Fuel Combustion, 2013. Fuel emission factors are sourced from the GHG Protocol's Emission Factors from Cross Sector Tools (April 2014).

For purchased electricity and district heat, we have used local CO₂ emission factors for 2014 to calculate GHG emissions for both 2013 and 2014. Factors for 2015 were used to calculate the 2015 data using the updated methodology.

To enable comparison of the results, the table below shows 2013 and 2014 GHG data calculated according to the updated methodology and according to our previous methodology using global GHG emission factors.

	2013 (kilotons CO ₂ equivalents)		2014 (kilotons CO ₂ equivalents)	
	Old method	New method	Old method	New method
CO ₂ from use of energy	179	180	169	169
District heat consumption	63	45	50	35
Electricity consumption	850	680	816	682

Additionally, in this report we have updated the factor used to convert SF₆ emissions to CO₂ equivalents. We have used 22,800 kg CO₂e/kg SF₆, as recommended by the UK Department of Energy & Climate Change in July 2014, and have applied that factor to SF₆ data reported for all years (2011 – 2015). In previous reports we have used 22,200 kg CO₂e/kg SF₆.

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 has provided assurance of environmental and social performance indicators, as shown in the Summary of performance indicators table, and has 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.

Global Reporting Initiative G4 application

ABB's sustainability performance reporting is guided by the Global Reporting Initiative's (GRI) G4 Guidelines. Accordingly, we use a [materiality assessment](#) to help us focus this report on those issues that are most important to our internal and external stakeholders. Omission from the material issues covered in our report does not mean that the issue is not managed by the company. The [GRI content index](#) for this report is available online.