

# ABB in summary

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**ABB is a pioneering technology leader** in the fields of power and automation. We help our customers address the challenges of changing markets, technologies and regulations.

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**We deliver solutions** that raise productivity and reduce environmental impacts for utilities, industry, transport and infrastructure.

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**Sustainability considerations cover** how we design and manufacture products, what we offer customers, how we engage suppliers, how we assess risks and opportunities, and how we behave in the communities where we operate and towards one another, while striving to ensure the health, safety and security of our employees, contractors and others affected by our activities.

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**We build long-lasting, value-creating** partnerships with customers, suppliers, business partners, employees and the communities in which we operate.

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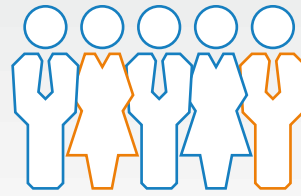
**Our portfolio** ranges from switches to industrial robots to engineering and expert service, from transmission and distribution networks to software that manages entire factories.

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**Our sustainability performance reporting** is guided by the Global Reporting Initiative's (GRI) G4 Guidelines. A summary table of numerical performance indicators is included. The independent assurance provider DNV GL has provided assurance of selected indicators and reviewed key data and claims in the report. Its [assurance statement](#) appears on p. 58 of this report.



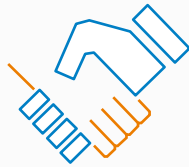
**\$ 1.4**  
billion  
invested in R&D in 2015



**135,000**  
employees

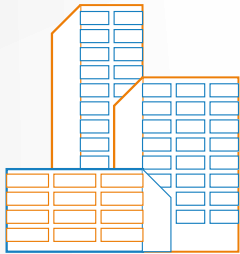
**490**  
TWh energy saved  
by ABB drives

**5,600**  
training sessions  
during global  
safety week



**\$ 36.4**  
billion  
orders  
in 2015

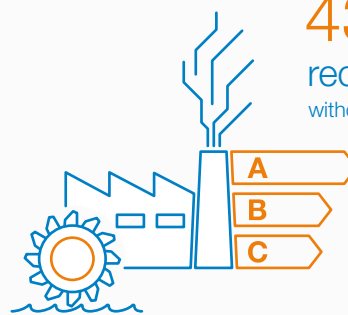
**50%**  
of revenues  
related to energy efficiency  
and renewable energy



**1** company helping  
to create the future



**700**  
community projects  
and charities  
supported in 2015



**430,000 m<sup>3</sup>**  
reduction in water  
withdrawals in 2015

**9%**  
reduction in GHG  
emissions (Scope 1 + 2)

**19**  
awards  
for good corporate  
citizenship worldwide



**415+**  
locations  
certified to ISO 14001  
and OHSAS 18001

**777**  
in-depth supplier  
sustainability assessments  
since 2010



**97%**  
of employees trained  
on anti-bribery principles 2014-2015

**3,200+**  
critical suppliers trained  
since 2011

# Proven technologies for the vital issues of our time



World leaders reached several crucial global agreements in 2015 designed to safeguard the sustainable development of the planet. ABB is already contributing towards achieving some of the core goals of the Paris climate conference and the Sustainable Development Goals, and we will do more because they are vital to our future.

These global agreements highlight the major environmental and social challenges we face, and provide a clear signpost to the future.

Attending the Paris conference, I made it clear that proven technologies and solutions already exist to improve energy efficiency and to enable the scale-up of renewable energy, both of which help to mitigate greenhouse gas emissions. To support these efforts, we still need more robust and consistent political and regulatory frameworks.

ABB's greatest contribution to the reduction of greenhouse gas emissions has been and will be through our energy-efficient and renewable energy products, systems and services that increase our customers' productivity while lowering the impact on the environment.

Take energy-efficient motors as an example of the difference we can make. Tens of millions of electric motors operate machines, fans, compressors and pumps worldwide, consuming about 28 percent of all electricity, and yet only around 10 percent of these motors are equipped with drives which would allow them to adjust their speed and operate more efficiently, reducing power consumption, emissions and costs.

ABB's variable speed drives produce energy savings in motors of 20-50 percent with relatively quick pay-back time, and our installed base saves about 490 terawatt-hours of electricity annually or the consumption of 120 million European Union households.

This is low-hanging fruit with the technology available now; if supported by the global introduction of common and stringent Minimum Energy Performance Standards, covering the energy efficiency of all products, global energy consumption could be cut by 9 percent, according to a study by the European Commission.

Our collaboration over the past year in the United Nations Sustainable Energy for All initiative – where we are inputting advice on energy-efficient motors and distribution transformers – highlights our desire to see lower emissions and new performance standards.

On the supply side, ABB is a global leader in supporting the generation and transmission of energy from renewable sources. Renewables form an increasing share of the energy mix and, in some countries, make an important contribution to meeting ambitious carbon reduction targets.

But expanding wind and solar power generation capacity is not sufficient on its own. To ensure the reliability of energy supply, the growth of renewable generation must go hand-in-hand with investment in technology to integrate their valuable, but intermittent, output into the grid.

ABB has continued to make advances in the high-voltage direct current technology we pioneered 60 years ago so that massive amounts of clean energy – produced by solar, wind or hydro generation - can be transmitted over long distances with minimal losses.

The ability to ensure reliable integration of renewables into the grid was reflected in key orders in 2015. In China, for example, we won orders for two ultrahigh-voltage links, both able to transmit 8,000 megawatts of wind and solar power, which will meet the electricity needs of 26 million people. And in India, we energized the first phase of an electricity “superhighway” supplying clean hydro-electric power from the Himalayas to Agra, which will serve some 90 million people.

We also see opportunities for greater deployment of low-carbon microgrids to bring clean energy – generated by solar or wind - to millions of people in remote communities, particularly in Africa and South Asia, who have no access to electricity. We know from our existing projects how distributed energy solutions can lead at the community level to economic progress, improvements to health and education, and better management of the local environment.

The deployment of such technologies support the aims both of the Paris Agreement and of some core elements of the Sustainable Development Goals. For example, ABB is delivering solutions to ensure access to affordable, reliable, sustainable and modern energy for all (Goal 7) through our innovative products and systems which focus on energy efficiency, renewable energy, and sustainable transport and infrastructure development.

As already mentioned we are focusing through our business on efforts to mitigate climate change (Goal 13). We are similarly well positioned to help build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (Goal 9). This is also part of our core business. Our community programs, concentrating on health and education, are already supporting two of the other main goals.

These efforts are also a reflection of our sustainability objectives, introduced in 2014 in full alignment with our Next Level corporate strategy. We are targeting greater energy and resource efficiency, and societal benefits through our business activities and community programs. We review our contributions and progress later in this report.

We also face challenges in different parts of the sustainability agenda. We have seen ongoing improvement in health and safety performance as a result of a sustained Group-wide campaign. But the results are still not good enough, and we

“We are focusing through our business on efforts to mitigate climate change. We are also well positioned to help build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.”

must continue to work towards a zero target of injuries and fatalities. We also face social challenges – attracting, developing and retaining top people, ensuring that our operations benefit and do not detract from the welfare of communities, and safeguarding our people and assets in a volatile world.

Collaboration is key to these efforts. We need the support of our stakeholders – customers, investors and governments, as well as our own employees and representatives of civil society – to meet the great challenges we all face. The business and sustainability agendas have never been more closely inter-linked. The success of one is unthinkable without the other.

Within ABB I often speak of the need to work and move forward together. The international agreements reached this year, as well as the crises we have faced around the globe, have highlighted the need for broader, innovative thinking and collaboration to meet the increasing challenges to society and our environment.



**Ulrich Spiesshofer**  
CEO

# Progress and challenges

The most frequent questions we receive from our stakeholders are: How is ABB contributing to a better world? How is the company advancing towards achieving its [Group Sustainability Objectives](#) 2014-2020 and what are the main challenges we face?

This report looks at those issues in some detail. In brief, our contributions to mitigating climate change and enhancing societal progress take different forms; advances were made in several areas in 2015 in implementing our objectives, and we continued to face a number of diverse challenges.

Our nine Group-wide sustainability objectives are designed to ensure we reach our goal by 2020 of being recognized as a leading contributor to a more sustainable world through our business offering and sustainable business practices. The objectives cover areas such as our products, systems and services, climate change, resource efficiency, integrity, sourcing, safety and security, and our role as an employer and in society.

All of these issues have a direct or indirect impact on ABB's business success, and considerable work is ongoing to set and reach targets as we head towards 2020.

Our stakeholders, internal and external, re-affirmed in 2015 that the goals we have set ourselves are the right ones and material to ABB's business, while offering additional advice on the challenges we face.

## How we contribute

The objectives acknowledge that we can contribute further to improving the environmental and social conditions in which we live. Our prime contribution towards mitigating climate change is to provide our customers with energy-efficient products, systems and solutions which lower energy consumption and cut emissions.

However, the benefits do not stop with the customer – they translate into wider benefits for society.

As an example, in 2015 ABB energized the first pole of the North-East Agra ultrahigh-voltage direct current transmission link which will supply power from north-eastern India to a substation in Agra, and from there, feed it across north India. When fully commissioned in 2016, the link will be capable of transmitting enough electricity to serve around 90 million people, based on average national consumption. A reliable energy supply leads to economic growth, and improved social services in health care, education and housing.

Our commitment to research and development, with spending of \$1.4 billion (4 percent of revenues) in 2015, strengthens our

ability to deliver energy-efficient technology to such projects and meet the needs of a rapidly changing world.

We contribute to societal progress in different ways: through the wealth and jobs we create, the taxes we pay governments, our presence in communities where we stimulate trade and employment, through the way in which we work with and train stakeholders such as suppliers and employees, and through our community programs and projects which target improvements to education and health.

Our sustainability objectives highlighting responsible sourcing, safe and secure operations, and strengthening our role in the community, underpin these contributions to social progress.

## Progress on objectives

ABB made progress on implementing the objectives in 2015, and these are highlighted in the [dashboard](#) later in this report.

In the objective related to expanding revenues from our “eco-efficient” portfolio of products, systems and solutions, revenues in 2015 remained around 50 percent of total earnings. This can be seen against the background of an overall decline in revenues for the full-year. One of the key areas of work was to update the way in which we define our “eco-efficient” portfolio, strengthening the criteria and expanding its scope for introduction in 2016.

As far as our own performance is concerned, absolute energy consumption has now dropped by 6.8 percent since 2013. There was a further 4 percent reduction in water withdrawals and a total of 20 percent of waste was sent for final disposal.

Improving the safety of our [employees and contractors](#) is a top priority at ABB but is also one of our most pressing challenges. We strive for zero incidents throughout our operations. Unfortunately in 2015, ABB recorded the deaths of two contractors.

In addition to the safety programs and training under way globally, ABB has set leading indicators as we target a change of culture on safety. In 2015, employees completed 139,000 site observation tours to improve safety compliance in offices, factories and customers sites - on track to meet the 2020 target of 180,000 such tours. The rate of hazard reporting has already outstripped the 2020 target.

Despite the incidents which still occur, there was an underlying improvement in most safety performance areas in 2015. The number of serious injuries dropped by 36 percent compared to 2014, the total recordable incident frequency rate was down by 10 percent; and the lost time incident frequency

rate was down from 4.34 per 200,000 hours worked to a rate of 3.55 in 2015.

As part of the drive to strengthen our safety culture, performance against leading indicators, including the reporting of hazards and the number of site observation tours, are not only part of the Group sustainability objectives but also feature in the Group scorecard which determines bonus levels.

Safety and integrity are the leading value pair within ABB, and further progress was also reported in integrity training and communication. A total of 97 percent of employees had completed the latest round of anti-bribery and integrity training by year-end 2015.

We have also stepped up efforts to meet our supply chain target of ensuring we understand and manage environmental and social risks in our global sourcing operations. The [Supplier Sustainability Development Program](#) to assess and train suppliers and build assessment capacity in ABB expanded further in 2015. The scope of the program was extended in south-east Asia and eastern Europe, and further risks were assessed and mitigated.

More detail on our performance and programs, as well as our approach to the sustainability agenda, can be accessed throughout this report.

## Challenges

While progress continues to be made in many areas, we still face challenges.

ABB is in a period of change, having launched the second stage of our Next Level strategy in 2015 to accelerate the transformation of the company and enable us to better address the needs of our customers. Key measures such as a divisional realignment and the reduction of five divisions to four, took effect at the start of 2016 with the aim of delivering additional customer value from our unique power and automation offering.

One of the key elements of the transformation is our white-collar productivity program which is aimed at making the company leaner, faster and more customer focused. In any such process, new measures have to be put in place to chart the way forward and provide employees with strong guidance and support so they can continue to give their best.

Considerable work was undertaken in 2015 to prepare the way for [improved ways of working](#). These efforts are ongoing, and they are being complemented by programs to increase diversity, which focus primarily on gender issues, and ensure that we retain our ability to attract, develop and retain

employees. Both of these issues are key to business success in an increasingly competitive, globalized market.

We face other challenges: how to ensure the safety and security of our people in an increasingly volatile world. To consolidate the safety improvements made in 2015, we are seeking to strengthen business line manager responsibility and accountability, carry out further widespread training and improve the auditing of sites; similarly, additional security assessments and training are also of paramount importance.

How we manage our risks is an area of constant focus. While considerable work continues on managing environmental and social risks at our suppliers, we face an obvious challenge of scale since we have some 70,000 direct material and project service suppliers. This is why the focus of our Supplier Sustainability Development Program has been on potentially high-risk suppliers in high-risk countries.

We have not seen incidents of child or forced labor in recent years or other egregious forms of human rights abuse. But, as the chapter in this report on [Responsible Sourcing](#) shows, there are many other areas of non-compliance with national law and/or the standards we set out in the ABB Supplier Code of Conduct. Considerable efforts are ongoing to make sure that, once problems are identified, our suppliers introduce the changes we require under the corrective action plans we agree with them.

There are other areas where we are seeking to improve results: the objective to decrease energy intensity per dollar of sales by 20 percent by 2020 will see further efforts to drive energy efficiency at our own sites; our work to increase understanding and management of human rights risks has been ongoing for several years – well before the 2011 adoption of the United Nations Guiding Principles on Business and Human Rights – but can be stepped up; and we will make further efforts to reduce water consumption and waste sent for final disposal from our sites.

Sometimes these efforts are affected by the need to prioritize activities or a lack of capacity. For example, to free up more time for direct engagement with stakeholders such as investors, we chose not to participate in the Dow Jones Sustainability Index questionnaire in 2015, having been ranked as an industry leader for 14 of the past 15 years.

Overall, ABB remains committed to delivering on all of our Group sustainability objectives by 2020. The objectives are aligned with the goals of our corporate Next Level strategy, and are part of our ability to deliver sustainable business success and contribute to environmental and societal improvement.

# Performance against targets 2015

## Products and services

Ambition and Targets	Status	Main Activities, Achievements and Challenges 2015	Priorities 2016
<p><b>Ambition 2020:</b> ABB is a world leading supplier of innovative, safe and resource efficient products, systems and services that help customers increase productivity while lowering environmental impact</p> <p><b>Targets:</b> 20% revenue increase from energy efficiency-related products, systems and services</p> <p>Qualitative assessment of technology contribution to environment, profit, and society</p> <p>Number of R&amp;D engineers trained in HSE Checklist</p>	<p>🔄</p> <p>🔄</p>	<p>50% of ABB revenues relate to energy efficiency and renewable energy in 2015, (51% in 2014)</p> <p>Updated “eco-efficiency” portfolio methodology for 2016, strengthening criteria and expanding scope</p> <p>Innovations and achievements in 2015: see page 22</p> <p>Updated material selection guidelines and health, safety and environment (HSE) Checklist for research &amp; development (R&amp;D) to strengthen “design for environment” principles</p> <p>Trained 139 R&amp;D engineers to use HSE Checklist and material selection guidelines</p> <p>Established sustainability network for global research centers to share good practices and achievements related to sustainability objectives</p> <p>Challenges to define eco-efficiency portfolio and assess technology contribution:</p> <ul style="list-style-type: none"> <li>– Very heterogeneous Group product portfolio with unique energy efficiency / productivity aspects – challenging to find one common denominator to serve them all</li> <li>– No established industry standard / guideline for sustainability product portfolios</li> </ul>	<p>Grow sales of best-in-class products, systems and service offerings that help customers cut energy use and reduce environmental impact</p> <p>Ensure that ABB’s HSE Checklist is applied in the development of products and systems</p>

## Integrity

Ambition and Targets	Status	Main Activities, Achievements and Challenges 2015	Priorities 2016
<p><b>Ambition 2020:</b> ABB recognized as one of the world’s most ethical companies by customers, suppliers, investors and employees</p> <p><b>Targets:</b> 100% of employees trained on integrity issues and processes</p> <p>Monitoring of reporting channels, investigations, remediation and survey results</p> <p>Proactive &amp; regular communication</p>	<p>➔</p> <p>➔</p> <p>➔</p>	<p>97% completion rate of anti-bribery training and of integrity e-learning</p> <p>Updated anti-bribery training material, with next campaign launched in 2016</p> <p>Released new set of hotline posters promoting hotline reporting</p> <p>Piloted new, global pre-approval tool for gifts, entertainment and expenses to improve transparency and review of the process. For roll-out in 2016</p>	<p>Continue to foster a culture of integrity through proactive integrity training and communication; launch updated anti-bribery training campaign in first half of 2016</p> <p>Roll out new cloud-based global pre-approval tool for gifts, entertainment and expenses</p> <p>Implement and promote the Don’t Look the Other Way initiative to increase transparency and reporting of potential concern</p>

✔ Achieved   
 ➔ On track   
 🔄 In process   
 ✘ Not on track

## People and society

Ambition and Targets	Status	Main Activities, Achievements and Challenges 2015	Priorities 2016
<p><b>Ambition 2020:</b> ABB attracts, retains and develops dedicated and skilled people from diverse backgrounds, and engages with a wide range of stakeholders, including communities, to maximize benefits for our business and society</p> <p><b>Targets:</b> Employee engagement score</p> <p>ABB community engagement tool implemented in major ABB countries</p>	<p>🔄</p> <p>➔</p>	<p>Defined capability management and workforce planning process. Ran pilot successfully in one division, setting stage for Group-wide roll-out in 2016</p> <p>Finalized new Competency Model</p> <p>Completed Next Level organization roll-out</p> <p>Launched White Collar Productivity program covering business and support functions</p> <p>Defined and finalized more rigorous people review sessions and succession planning process</p> <p>Rolled out new scorecard process to strengthen performance orientation</p> <p>48 of 66 countries reporting on social activities supported community projects and reported on them in community engagement tool. Level of reporting has remained static</p> <p>Challenge: Ensuring take-up through all parts of business</p>	<p>Implement the capability and workforce planning process across all divisions</p> <p>Embed new Competency Model in key Human Resources processes</p> <p>Implement White Collar Productivity program, setting up shared services centers and Centers of Expertise</p> <p>Improve learning and development offerings to reflect new competency model</p> <p>Bottom-up people review sessions, leading to clearly articulated succession plans, particularly for mission-critical roles</p>

## Human rights

Ambition and Targets	Status	Main Activities, Achievements and Challenges 2015	Priorities 2016
<p><b>Ambition 2020:</b> Human rights issues are well understood and managed in all ABB operations along the value chain</p> <p><b>Targets:</b> Network of sustainability employees trained on human rights by 2016</p> <p>600 managers trained by end of 2016</p>	<p>✔</p> <p>➔</p>	<p>Held four more two-part training courses to build required capacity for human rights network</p> <p>Held two meetings of network, following inaugural session at end of 2014</p> <p>Carried out due diligence on several potential projects in Europe, south-east Asia and South America</p> <p>Limited progress with awareness-raising training due to time restrictions for face-to-face courses</p> <p>Rolled out e-learning; limited uptake leading to further marketing efforts in 2016</p> <p>510 managers trained by end of 2015</p>	<p>Consolidate human rights network so that target is achieved in 2016</p> <p>Develop roadmap for further progress towards the goal for 2020, including the introduction of country human rights impact assessments</p> <p>Build capacity within the company so that international human rights standards are better understood and can be applied to ABB operations</p>

✔ Achieved   
 ➔ On track   
 🔄 In process   
 ✘ Not on track



## Safe and secure operations

Ambition and Targets	Status	Main Activities, Achievements and Challenges 2015	Priorities 2016
<p><b>Ambition 2020:</b> Safety is a core value. All ABB operations have an excellent health, safety and security culture embedded in their day-to-day business, targeting zero incidents</p> <p><b>Targets:</b> Safety Observation Tour (SOT) rate = 1.2 per employee, run rate 180,000</p> <p>Hazard reporting rate = 2 per employee, run rate 300,000</p> <p>&gt;95% certified Health and Safety Management Systems</p>	<p>→</p> <p>→</p> <p>→</p>	<p>Conducted more than 139,000 SOTs, at a rate of 0.92 per employee</p> <p>Reported more than 520,000 hazards, at a rate of 3.51 per employee</p> <p>Total recordable incident rate for employees declined by 10% from 2014 and by more than 30% since 2011</p> <p>Developed and piloted safety master-classes, to be rolled out across Group in 2016</p> <p>Implemented new Lessons Learned assurance process, requiring review and action by each local business unit manager</p> <p>Developed internal audit HSE protocol, trained internal auditors and conducted audits in all divisions and all regions</p> <p>Certified OHS management system at 421 of 602 reporting locations (70%)</p> <p>Held 22 face-to-face country management crisis training courses. Additional sessions held on physical and personal security, travel and project security, workplace violence, extortion awareness</p>	<p>Roll out safety master-classes: Promote leadership and accountabilities through training and coaching for managers</p> <p>Reinforce accountability on roles and responsibilities for managing HSE-related issues and activities</p> <p>Continue and develop internal audit program, expand scope and extend application</p> <p>Continue to improve business resilience through crisis management trainings</p> <p>Conduct trainings on project security best practice</p> <p>Further global training on crisis management and project security</p> <p>Introduction of updated travel advisory and mapping service</p>

## Responsible sourcing



Ambition and Targets	Status	Main Activities, Achievements and Challenges 2015	Priorities 2016
<p><b>Ambition 2020:</b> Social and environmental risks and impacts of sourcing practices are well understood and managed</p> <p><b>Targets:</b> Number of suppliers assessed (internal / by third party)</p> <p>Total number of risks identified</p> <p>Total number of risks mitigated</p>	<p>↻</p> <p>↻</p> <p>↻</p>	<p>421 suppliers trained. Training scope expanded to Indonesia, Thailand and Vietnam. Supplier Sustainability Development Program launched in Poland</p> <p>Trained further 259 ABB people in responsible sourcing. New lead assessor certifications for ABB employees in Brazil, China and India</p> <p>Assessed 441 risks; mitigated 311 risks</p> <p>Formally assessed 179 suppliers, another 22 suppliers reassessed</p> <p>Updated assessment protocol to include root cause analysis, and conducted trainings</p> <p>Developed and piloted ABB Training and Development Program for Factory Working Hours with selected suppliers</p> <p>Developed and started roll-out of new supplier qualification and classification process</p>	<p>Global implementation of the new processes for supplier qualification and classification</p> <p>Global roll-out of new SCM Supplier Relationship Management system (Pro-Supply)</p> <p>Establish baseline status of targeted supplier types/countries, to enable development of quantitative targets</p> <p>Intensify continuous improvement efforts to mitigate risk of sourcing Conflict Minerals</p>

 Achieved
  On track
  In process
  Not on track

## Energy efficiency and climate change

Ambition and Targets	Status	Main Activities, Achievements and Challenges 2015	Priorities 2016
<p><b>Ambition 2020:</b> ABB is an industry leader in energy efficiency, use of low-carbon fuels and renewable energy. We cut greenhouse gas (GHG) emissions</p> <p><b>Targets:</b> 20% decrease in energy intensity per \$ sales from 2013 (megawatt hours/million \$ sales)</p>	✘	<p>Absolute energy consumption reduced by 6.8% (190 GWh) from 2013 baseline</p> <p>Energy intensity increased by 10% from 2013 baseline; energy saving activities overtaken by decline in revenues and lower capacity utilization in some areas</p> <p>195 energy saving projects underway at ABB sites</p> <p>88 sites with formal energy management systems, with 47 certified to ISO 50001 or EN 16247</p> <p>Energy audits conducted at 71 ABB facilities</p> <p>71 GWh (4.4%) of electricity from renewable sources</p> <p>GHG emissions decreased by 8.8%, mainly due to decreased SF<sub>6</sub> emissions</p>	<p>Drive energy efficiency efforts at sites</p> <p>Increase use of low-carbon fuels and renewable energy</p> <p>Control and reduce emissions of SF<sub>6</sub></p>

## Resource efficiency

Ambition and Targets	Status	Main Activities, Achievements and Challenges 2015	Priorities 2016
<p><b>Ambition 2020:</b> Materials and water use is optimized. Facilities in very scarce, scarce and water stressed areas to reduce water use. We target zero waste</p> <p><b>Targets:</b> Cut water consumption by 25% in water scarce/water stressed areas</p> <p>Reduce waste sent for final disposal by 20%</p>	  	<p>Updated facility mapping according to watershed, using updated Global Water Tool; 64 sites in water stressed watersheds selected for water use reduction program</p> <p>4% reduction in water withdrawals; 5.2 million m<sup>3</sup> of water saved through recycling and reuse</p> <p>20% of waste sent for final disposal, down from 21% in 2014; total generation of waste was essentially unchanged</p> <p>90 waste reduction or recycling projects under way</p>	<p>All sites to analyze sources of waste and identify areas where generation of waste can be reduced</p> <p>All sites to establish a plan with milestones to increase share of waste reused or recycled</p> <p>Sites in very scarce, scarce, and water stressed areas to measure, analyze and establish a plan with milestones to reduce use of water</p>

## Right materials

Ambition and Targets	Status	Main Activities, Achievements and Challenges 2015	Priorities 2016
<p><b>Ambition 2020:</b> We aim for materials that are sustainable. Hazardous substances are used in closed loops or not at all</p> <p><b>Targets:</b> Reduce amount and type of hazardous substance used/emitted</p> <p>EU REACH compliance</p>	  	<p>Updated prohibited and restricted substances list in line with regulations in ABB's main markets</p> <p>Further developed internal REACH experts network; conducted 13 training sessions on different aspects of REACH regulation</p> <p>24 projects under way to reduce hazardous substances</p> <p>Conducted workshops with Supply Chain Management personnel on material compliance</p> <p>Conflict minerals:</p> <ul style="list-style-type: none"> <li>— Completed product applicability assessment in each division, covering large part of ABB product portfolio</li> <li>— Expanded training efforts for suppliers and ABB personnel</li> <li>— Engaged with Conflict-Free Sourcing Initiative, contributed funding for smelter audits</li> </ul>	<p>Ensure ABB products and manufacturing processes comply with "ABB List of Prohibited and Restricted Substances"</p> <p>Include legal requirements on material compliance (eg, EU REACH and RoHS) in local ISO 14001 management system</p> <p>Conduct training on material compliance and use of right materials</p>