

## **INDEPENDENT LIMITED ASSURANCE STATEMENT**

**TO: THE STAKEHOLDERS OF ABB LTD**

### **INTRODUCTION AND OBJECTIVES OF WORK**

Bureau Veritas UK Ltd (Bureau Veritas) has been engaged by ABB Ltd (ABB) to provide limited assurance on its Sustainability Report 2018 (the Report). This Assurance Statement applies to the related information included within the scope of work described below. The aim of this process is to provide assurance to ABB's stakeholders over the accuracy, reliability and objectivity of the reported information and that it covers the issues material to the business and its stakeholders.

### **SCOPE OF WORK**

The scope of our work was limited to assurance over performance data and information included within the ABB Sustainability Report 2018 ('the Report') for the period 1st January 2018 – 31st December 2018, (the 'Selected Information') as listed below:

- Performance data for 2018 for the 2020 targets and measures, on page 8
- Performance data for 2018 for indicators marked as assured in the summary of main performance indicators table starting on page 43:
  - Hazardous Materials;
  - 302-1 Energy Consumption,
  - 302-3 Energy intensity;
  - 303-1 Water withdrawal;
  - 305-1 Greenhouse gas (GHG) emissions - Scope 1 (excluding "CO<sub>2</sub> from transport by own fleet");
  - 305-2 Greenhouse gas (GHG) emissions - Scope 2;
  - 305-3 Greenhouse gas (GHG) emissions - Scope 3;
  - 305-4 Greenhouse gas (GHG) emissions intensity;
  - 305-7 Emissions of Volatile Organic Compound (VOC) and VOC-Cl;
  - 306-2 Waste (excluding Heidelberg); and
  - 403-2 Occupational health and safety (excluding lost days).

### **LIMITATIONS AND EXCLUSIONS**

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented;
- Provide assurance on information outside the defined reporting boundary and period;

- Other information included in the Report other than scope defined above;
- Verify financial statements and economic performance for the reporting period mentioned in the scope of work; and
- Verify positional statements (expressions of opinion, belief, aim or future intention by ABB) and statements of future commitment

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

## **RESPONSIBILITIES**

The preparation and presentation of the selected information in the Report, as defined in the scope of work, is the sole responsibility of the management of ABB.

Bureau Veritas was not involved in the drafting of the Report. Our responsibilities were to:

- Obtain limited assurance about whether the selected information has been appropriately and accurately prepared;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the Directors of ABB.

## **ASSESSMENT STANDARD**

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

## **SUMMARY OF WORK PERFORMED**

Our procedures we performed, which are set out in more detail below, included assessments of the risks of material misstatement of selected performance indicators and disclosures and underlying internal controls relevant to the information published in the Report. Our procedures were designed to gather sufficient and appropriate evidence to determine that the selected performance information is not materially misstated.

To reach our conclusions we undertook the following activities:

- Assessing the data collection and consolidation processes used for gathering and reporting of the information listed in the assurance scope above;

- Conducting four physical site visits, selected deploying a risk based approach taking into account site's contribution to and impact on ABB's sustainability initiatives. The physical visits were: Vadodara, India; South Boston, USA; Heidelberg, Germany; Västerås, Sweden;
- Conducting remote data verification of sampled four sites selected deploying a risk based approach as mentioned in the point above – Beijing, China; San Luis Potosi, Mexico; Lodz, Poland; Fort Smith, USA;
- Conducting interview with ABB personnel responsible for data collection, collation and reporting;
- Testing of the sample data and reviewing evidence provided through a risk based approach;
- Comparing the information presented in the Report with corresponding evidence in the source materials to ensure the reported data is supported by underlying records;
- Assessing the disclosure and presentation of the selected information to ensure consistency with assured information.

## **CONCLUSION**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected information presented in ABB's 2018 Sustainability Report is not fairly stated in all material respects.

## **KEY OBSERVATIONS**

Without affecting the conclusion presented above, we would like to draw the readers' attention to the following:

- During the reporting period ABB began rolling out new Environmental, Health and Safety software, Intelex. This software allows for more precise management and reporting of sustainability KPIs;
- In 2018, the single global management system (the ABB Way) continued to be implemented. This will cover all aspects of sustainability and is expected to improve management consistency across the organisation.

## **STATEMENT OF INDEPENDENCE, INTEGRITY AND COMPETENCE**

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 185 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified<sup>1</sup> Quality Management System which complies with the requirements of ISO 9001:2008, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)<sup>2</sup>, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with ABB.



**London, 20 March 2019**

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<sup>1</sup> Certificate of Registration FS 34143 issued by BSI Assurance UK Limited

<sup>2</sup> International Federation of Inspection Agencies – Compliance Code – Third Edition