

Business Responsibility Report

Overview of sustainability at ABB India Limited

Sustainability in the Company encompasses all domains of its operations with focus on health, safety, environment, and corporate responsibility. The Company is committed to maintaining high social, environmental, human rights, ethical and governance standards. It has several policies and standards in place to underpin these core values, namely the Code of Conduct, and policies such as the ABB Group Social and Human Rights policies, Health Safety and Environmental (HSE) policy¹ and Corporate Social Responsibility (CSR) policy. These are supported by internal Group directives and instructions.

Sustainability considerations at the Company covers how it designs and manufactures products, what the Company offers its customers, how it engages with its suppliers, how it assesses risks and opportunities, and how it behaves in the communities where it operates. Several stakeholders are impacted by the Company's policies and performance – such as employees, subcontractors, customers, suppliers and communities where it operates. The Company recognizes the importance of wide-ranging stakeholder engagement to help it achieve best practice and sustainable benefit for all its key stakeholders. The Company also strives for excellence in health and safety performance.

The Company works to ensure that sustainability considerations and values are understood, implemented, measured and communicated to all stakeholders and across the Company's value chain, so they become a seamless part of the business practice and help customers be more effective and successful. It's Implementation of Management Systems such as OHSAS 18001:2007 and ISO 14001:2004 certifications and the Code of Conduct promotes social and environmental responsibility across its value chain. The Company's sustainability team consisting of experts specifically focus on health, safety, environment and CSR activities. They work closely with business divisions and other group functions to raise awareness of potential HSE risks and to improve performance.

The ABB Group sustainability strategy aims to make ABB a leading contributor to a more sustainable world. The Group sustainability objectives specifically have been on product and services, energy efficiency and climate change, safe and secure operations, integrity, human rights, responsible sourcing, resource efficiency and right materials. In line with the ABB Group's sustainability strategy, the Company has set HSE objectives and targets that are continuously monitored and actioned.

The Company demonstrates highest level of ethical behavior and upholds integrity. It directs all personnel to take particular care to uphold laws on competition, products sold, labor and employment, health, safety and environmental protection. It expects fairness and integrity in all its dealings - with customers, vendors and all its stakeholders. Integrity is non-negotiable and all are expected to adhere to strict ethical behavior at all times. It has no tolerance to active or passive corruption.

The Company's recently formulated CSR policy will be a blue print for its social contributions. Social contributions of the Company focus on creating economic value in a way that also creates value for society by addressing its needs and challenges. Its activities focus on development of the society on aspects of education, skill development, provision of basic health care, access to electricity, opportunity to the differently abled; so as to enable inclusive development of communities in and around where it operates.

Healthy and safe working environment

The Company's commitment to health and safety is embedded in its Occupational Health and Safety (OHS) policy and procedures. It is committed to achieving excellence in OHS and is working to achieve this through both strategic, Group-led program and business specific initiatives. The Company has OHSAS 18001:2007 and ISO 14001:2004 management certification systems for most of its facilities. The Company has a security, crisis and emergency management system and also a comprehensive accident analysis and prevention program.

The Company organizes OHS improvement according to formal Company's OHS strategic plans prepared within its global priorities and framework. The program and action plans are tailored according to local conditions and business needs. Progress towards performance targets and implementation of training and development programs are monitored continuously.

The OHS policy of the Company requires the Company to select contractors and service providers based on their competence and capability to undertake tasks in compliance with the required health and safety measures within the Company. The mandate with the Company requires that its suppliers implement a health and safety policy and that they comply with relevant health and safety regulations and standards. As a general objective and guiding principle, the Company wants to do business with suppliers who have implemented health and safety management systems that comply with the requirements of OHSAS 18001:2007.

In 2014 the Company had extensive activities around HSE reporting across facilities and project sites on various safety parameters like near miss, unsafe acts, and unsafe conditions. Safety observation tours were made part of all business and HSE team's agenda and were also included for the top management's review. Key OHS statistics are now part of all top level management monthly meetings. In the year under review, hazards and near misses were separately logged and data captured. All hazards and near-misses were analyzed and appropriate remedial-preventive actions taken.

The HSE Leadership Program has been designed by the Company to build a shared vision throughout ABB, to enable an innovative approach to HSE, and to continue its journey towards zero incidents. With awareness on OHS reaching a considerable level within the Company, the focus during the year was more on building awareness on HSE across project sites. There was extensive review of local procedures and effective compliance with ABB's certification requirements for project managers and site managers, and timely production of project safety plans that are relevant to individual projects and are utilized as the basis for site safety controls.

The focus was to increase involvement of all business units in the Company - to ensure active participation in all HSE programs and efficient delivery and application of controls and monitoring of performance across safety program. The Group Electrical Safety Instructions gives a direction towards electrical safety, which is one of the major safety focal areas. The detailed electrical safety program under this section continued to be executed across the Company in 2014.

¹The Company has an HSE policy in line with the Group's OHS policy and Environmental policy

The Company logged nearly 22.91 million employee man-hours and 23.6 million contractor man-hours. The Company had two fatalities during the year. Addressing this, the Company accelerated a range of initiatives on safety on a priority basis and has taken a pledge that in 2015 that none at the Company will look the other way. The Company took a hard step to direct actions of all employees so as to make safety an integral part of the Company's growth journey. The Company strengthened its safety reporting systems internally. There were around 2,722 near misses, 27,309 hazards, 826 first aids, 7 serious injuries, 51 injuries requiring medical treatment, 1 high potential incident and 15 lost time injuries.

Environmental responsibility

The Company understands the impact of its business on the environment and the larger community, and its focus has always been towards mitigating and minimizing these impacts. The Company's facilities are certified to ISO14001:2004 management systems – a result of continuous efforts at improving and the facility at Savli was certified for both ISO 14001:2004 and OHSAS 18001:2007 in 2014.

The Company is committed to develop resource-efficient products and systems, to reduce the impact of its own operations, and to engage in an ongoing dialogue with customers to help them select the most environmentally sound products, systems and solutions. It remains focused and committed to stakeholder satisfaction and strives to demonstrate excellence in environmental performance and in other core areas including quality, safety, health, and corporate governance. The Company seeks to minimize the environmental impact of its technologies and products, to pass on this expertise to customers and suppliers, while reducing the environmental footprint of its own manufacturing processes. In its own operations, it strives to reduce the use of energy and materials, streamline the means of transporting goods, reduce the impact of business travel, phase out hazardous materials, design eco-efficient and recyclable products, and enhance suppliers' performance. Improving performance also includes the design phase of new products and processes.

The Company's Environment Policy is an integral part of its commitment to sustainability, and provides the framework to embed environmental considerations in its strategies, processes and day-to-day business. The Environment Policy requires that all operations be carried out in an environmentally sound manner within the framework of an environment management system consistent with ISO 14001:2004. The policy further commits to compliance with legal requirements, training employees, and continual improvement. The Company's predominant focus on environment conservation has been on key performance indicators of energy, carbon footprint, renewable energy, wastes and water management. All these parameters have specific targets in line with ABB Group's overall sustainability objective and targets.

The two new facilities - the gas insulated switchgear and dry and oil type transformer in Savli and the robotics factory in Peenya, Bengaluru – have become operational and hence have been included for data consolidation compared to the previous year. The Company has continual monitoring of environmental parameters as per the guidelines of various State Pollution Control Boards for water, waste water, wastes namely hazardous, non-hazardous, bio-medical and e-wastes.

Energy conservation is always a vital activity in the Company since it directly improves the bottom line of the business. The total electricity consumption for 2014 is 63.31 GWh of which 61.68 MWh was from

solar. This is nearly 14.4 percent increase in total energy consumption compared to 2013, however the percentage share of renewable energy (solar based) has increased to 7.3 percent compared to the last year. Significant efforts were made in 2014 to improve energy efficiency of manufacturing units. Through in-house energy audits, a number of opportunities have been identified and implemented to reduce the energy consumption across location and operations. Energy audits were completed for the Company's Andheri and Taloja locations in the current year. The Company will also introduce renewable based energy where ever feasible.

The Company monitors its greenhouse gas (GHG) emissions - in 2014, a total of 44,505.84 tonnes of CO₂ were generated considering Scope 1 and Scope 2 emissions². As a part of its manufacturing process, the Company uses SF₆ gas - a GHG - and efforts are continuously being made to reduce SF₆ gas consumption, through reporting, continuous leak monitoring systems, etc.

The Company is committed to conserve and ensure optimum usage of water and has undertaken extensive training sessions to raise awareness. Implementing a tool generated at the ABB Group level, locations across India have mapped their water usage. This has been followed up with various water conservation initiatives. The total water consumption in 2014 was close to 0.59 million m³, which is 4 percent less than last year. Close to 0.13 million m³ of water was recycled and reused in 2014, representing about 1.3 percent reduction in the quantum of recycled or reused in 2013.

Waste management is an integral part of the ISO 14001:2004 management system. Procedures for handling hazardous and non-hazardous wastes have been developed in accordance with the regulatory compliance requirements. All manufacturing units have their respective State Pollution Control Board (PCB) authorization to generate, store, handle and dispose hazardous wastes.

The Company disposed, close to 477.2 tonnes of hazardous waste - a 5.4 percent reduction in the total quantum generated and disposed compared to 2013. Around 8,187.42 tonnes of non-hazardous waste (recyclable waste such as metal waste, waste consisting of paper, plastic, wood and cardboard and other disposable waste) was generated, of which 3,584.31 tonnes was recycled and the remaining suitably disposed. Reducing the quantum of waste is an ongoing process and the disposal of hazardous waste is done through registered authorized third party contractors or state owned waste management agencies. In 2014, waste segregation at source and waste accounting of all streams of hazardous and non-hazardous waste was a key focus area of training and implementation.

Another significant exercise to reduce the Company's environmental footprint undertaken in 2014 is complying with the 'ABB Group directive on the List of Prohibited and Restricted Substances'. This list is applicable to all products developed, manufactured and supplied, production processes, packaging, service and to construction sites. The initiative focused on ensuring that all facilities comply with this directive and avoid chemicals, materials and substances that may represent hazards to the environment or the health of workers, customers, consumers and other stakeholders or could negatively influence end-of-life properties, or might cause other concern. A complete review exercise was undertaken along with ongoing training and awareness programs through online training sessions conducted by the Group specialist trainer on the subject.

²Categories of Scope 1 & 2 as defined by the WBCSD GHG protocol

To ensure statutory compliance, necessary mitigation actions are undertaken on a regular basis and periodic monitoring is carried out. In line with requirements as per consent to operate under Air Act, Water Act and Hazardous Waste (Management and Handling) Rules, compliance report is sent on a monthly basis to respective regional Pollution Control Boards (PCB) in a timely manner. A complete mapping of all consent conditions and review of compliance across locations were carried out this year to further track compliance. During the year there were two show cause / legal notices received from Pollution Control Board which were satisfactory resolved and closed. In the current year, an environmental expenditure to the tune of around ₹ 1.96 crores was incurred across the Company's facilities. This consists of expenses incurred for personnel employed for education and training, external services for environmental management, external certification of management systems, extra expenditures to install cleaner technologies and environmental protection expenditure - waste disposal, emission treatment, remediation costs, etc.

The Company consolidates monthly data on performance indicators across its facilities and is reported annually to the Group as a part of the Group Sustainability Report as per Global Reporting Initiative (GRI) guidelines and this data is also independently verified. The Company also publishes the Business Responsibility Report annually in line with SEBI's requirement.

While the Company is committed to developing manufacturing processes that focus on energy and resource efficiency, it also extends its sustainability contributions to customers by developing and offering products and systems that are resource efficient and facilitate the use of renewable energy sources. The need to minimize product impact on the environment during all phases of its life 'from cradle to grave' is recognized by ABB and it has made environmental performance of its core products available to its customers by publishing the Environmental Product Declarations (EPD) based on Life Cycle Assessment (LCA).

ABB Group uses the Gate Model for developing environmentally sustainable products with checkpoints to ensure that environmental considerations are built into new products. The EPDs provide quantitative information in comparable terms of global warming effects and the use of non-renewable resources; in each phase of the life cycle. Substation, automation products, solar inverters, drives and breakers are some of the products so far for which LCA information has been made available by the Group. Product labels are also provided as required and these also take into account any compliance requirements with respect to applicable, relevant laws.

Supply chain sustainability

As a responsible corporation, ABB India extends its influence to ensure responsible working environment to the ecosystem of direct and indirect stakeholders. This includes partners in supply chain with considerable contribution to the product value stream. The ABB Supplier Code of Conduct is the core document on which the Company builds its efforts to source responsibly. The Supplier Code of Conduct defines requirements for ABB suppliers and is integrated with the General Terms and Conditions of their contract. The Company considers its suppliers to be part of the 'Extended Enterprise' and demand that they conduct their business consistent with its standards and principles. Complying with applicable environmental and OHS regulations, internationally proclaimed human rights standards and ensuring equality of opportunity, are expected as the minimum level of commitment.

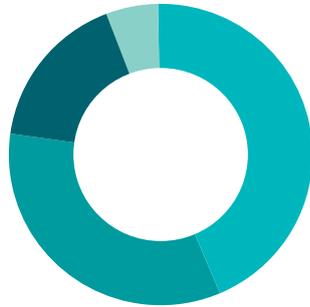
The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The goal of the SSDP is to ensure compliance with the Supplier Code of Conduct, to support continual improvement of the sustainability performance of suppliers, and to provide customers the benefits of a highly competitive and sustainable supply chain. Under the program, the Company trained both suppliers and Company employees, and carried out independent third party supplier audits to identify areas of improvement in the areas of general management, working hours, remuneration, social benefits, health and safety and environmental protection

Besides the training offered under the SSDP, the suppliers have access to the ABB Supplier Sustainability Implementation Guide that provides practical advice on how to meet the requirements of the Supplier Code of Conduct. In 2014, 162 suppliers have been trained on sustainability requirements and 43 of them were assessed on such requirements. With these, the total number of suppliers trained under the program since 2009 stands at 373 (may include suppliers who have undergone repeat trainings) and the total number of suppliers assessed stands at 163. During 2014, over 39 employees were trained in the program and internal teams made over 50 visits to suppliers to assess their systems.

This program helped participating suppliers identify and mitigate risks and strengthen their systems. Through this program, the risk profiles of the selected suppliers have shown steady improvement, as depicted in the charts below (the charts represent the risk profiles of suppliers selected from 2009 to 2014 before and after corrective actions under the SSDP). At the end of 2014, nine suppliers who did not show commitment to fulfill the requirements of the Supplier Code of Conduct were blocked. Business with these suppliers can only resume after they have demonstrated compliance with the ABB Supplier Code of Conduct.

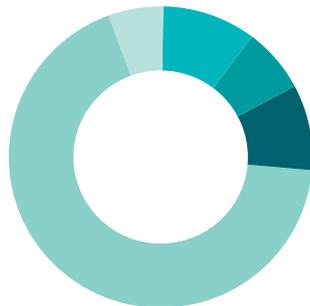
Initial risk profile of suppliers

- Extremely High Risk, 71, 44%
- High Risk, 54, 33%
- Medium Risk, 28, 17%
- Low Risk, 9, 6%



Current risk profile of suppliers

- Extremely High Risk, 17, 10%
- High Risk, 11, 7%
- Medium Risk, 15, 9%
- Low Risk, 110, 68%
- Blocked, 9, 6%



To further strengthen its responsible sourcing strategies, the Company is revisiting its sourcing process and is adopting additional controls. ABB launched its Lead Assessor Certification Program for Supply Chain Sustainability, under which 10 employees were certified by a third party certification agency, after clearing a rigorous four module process. ABB also initiated a pilot programme of working with various category teams, to evaluate all preferred suppliers under SSDP. This pilot shall extend into 2015.

Stakeholder engagement

The Company understands that effective stakeholder engagement – knowing about its stakeholders’ interests, concerns and advice, is critical for driving its sustainability performance and business success. The ABB Group’s stakeholder dialogue guidance document details different aspects for an effective stakeholder dialogue, building closer relations with partners and to prompt new ideas. Stakeholder mapping and profiling has identified the following set of key stakeholders:

Key identified stakeholders	Details of stakeholder interactions
Business	
Customers	Various customer focused seminar / events and programs
Suppliers	The SSDP and continuous ongoing interactions with vendors
Investors	Annual general body meeting, quarterly analyst call, one to one meetings (need basis), factory visits (on request)
Employees	Various employee welfare programs, ongoing HSE and sustainability programs, and awareness cum training sessions
Competitors	Through industry bodies, associations, seminars, exhibitions and events
Government and regulators	
Legislators and the law	Meetings and interactions for compliance requirements, permits etc.
Trade bodies	Seminars, conferences and sharing good practices
Civil society	
International organizations	Partnerships for CSR and R&D activities
Local communities	Ongoing interactions for CSR activities with the communities
Academia and scientific community	Ongoing R&D and educational partnerships, seminars meetings, campus connect programs, and one on one interactions
Media	Seminars, meetings, and one on one interactions for communication and branding
NGOs and civil society organizations	Partnerships and interactions for implementation of CSR agenda
Trade unions	Right of all personnel to form and join trade unions of their choice and bargain collectively

People well-being

Over the years, the Company has become a leading organization in power and productivity in the country, through the practice of sound moral, ethical and business principles that mirror the Group's values. The Company is a firm believer that its employees help deliver value for its shareholders, customers and society at large. Its people are its strength and the Company therefore respects individual rights and dignity of all its employees. It also ensures that all its operations are free from the plague of discrimination and in this regard, it has an integrity policy.

Being an engineering company, its strength lies in the technical knowledge of individuals and so the Company focuses on learning and development. It encourages all its employees to grow professionally and personally to their highest capabilities. Career development and opportunities that its employees enjoy is among the best in the business world. The Company's career development process and tools include regular performance and development reviews, talent management process, talent profile for better internal visibility, well defined career paths, internal promotions and mobility. The Company strives to make sure that its employees get everything they need to realize their full potential, relying on a mix of structured talent management and learning offerings.

Training expands the knowledge base of employees and is a key element in the development of the organization, thus adequate time was committed to such trainings. The Company clocked around 12 hours of training per employee in the year 2014. The Company invested in talent development through learning programs that cover aspects of technical, professional and managerial development. The Company was awarded the 'best company to work for' award (in the industry segment) by Business Today for the second consecutive year in 2014.

The Corporate Principles and 'Code of Conduct', formulated at the Group level, set the standard for employee conduct. The Company expects all its employees to commit and adhere to the Code of Conduct. As a part of its Code of Conduct, the Company has a formal redressal mechanism in place that helps to deal with any violations that may cause employee grievance or compromise personal or corporate integrity. In addition to the Group level redressal mechanism, the Company has a customized grievance handling procedure down to the facility level, where employees can lodge their grievances in prescribed 'grievance redressal forms', which are then addressed / resolved by the Human Resources function. The idea is to solve employee's grievances through a systematic method. The grievance mechanism has been functioning very smoothly at each of its facility.

The Company is committed to provide a safe and productive work environment that promotes the confidence to work, innovate and perform without the fear of any type of harassment. The Company's policy on sexual harassment of women at the workplace provides an effective resolution for any instance sexual harassment. In line with this policy, every facility has an internal complaints committee which acts as a redressal mechanism and addresses any complaints of sexual harassment and for matters connected therewith or incidentals thereto in the Company. The committee, constituted in 2014, is designed to facilitate prompt action on the grievances received. There was only one complaint received the committee in the year and action was taken promptly to address the grievance received.

The Company firmly believes that diversity and inclusiveness is essential for a well balance workforce and to have continued success

in the market place. It has focused on inclusivity, while recognizing and respecting all aspects of what makes someone unique. There have been several initiatives such as workshops for line managers to strengthen understanding of the business and value of diversity and inclusiveness. The Company's diversity commitments has led to framing a number of programs to encourage and strengthen the presence of women in executive and functional roles. There have been continued efforts to increase number of women in the interviews pipeline as well as on the shop floor. The Company is also taking a number of measures to provide safe and comfortable working environment to women including provision for their personal needs such as providing child care centers.

Some highlight activities focused on diversity, in 2014:

- Ensuring higher diversity across all levels - the Company has increased the number of universities for campus hiring to include five engineering colleges for women
- Strengthening of succession planning with more diverse leaders, there is a leadership development program underway to provide focused development for women managers
- Completed anti-harassment training for most of the employees - a mandatory training in line with the Anti-Sexual Harassment law
- Eight Internal Inquiry Committees have been set up in different locations in line with the law and guidelines laid out by the Supreme Court of India for the prevention of sexual harassment at the workplace
- Planning is underway to include people with disability at entry levels of the Company

Total number of employees	6,165
New employees added	391
Apprentice / Interns / Trainees	1,073
Total number of employees hired on contractual basis	257
Number of women employees	357
Number of permanent employees with disabilities	27
Recognized employee association	Yes
Percentage of permanent employees who are members of recognized association	19.95

Customer engagement

During the year, the Company hosted several events, customer meets and seminars to proactively engage with the customers. The Company values and respects its customers and strived to meet and exceed their expectations. True to the motto of 'Power and productivity for a better world', the Company offers its customers products and solutions that improve the operational and resource efficiencies and performance.

The Company also engages with customers through training. The Company seeks formal feedback from customers through the Net Promoter Score (NPS) survey to help better understand the customers' experience with the Company and to identify areas for improvement. The Company adopted the NPS Survey on an annual basis since 2010 to understand how it is perceived by the customers - if customers would endorse ABB India. The customers' responses to questions raised by the Company, convey their experience with ABB, how it measures up to customer expectations and areas of improvement for the Company. More than 5400 responses were received in 2014, representing a response rate of over 54%. The NPS score for the country rose to 54%, an improvement of about 15 percentage points as compared to the previous year.

Community engagement

The ABB's Group's social policy was adopted in February 2001. It draws on five sources: the United Nations' Universal Declaration of Human Rights, the International Labor Organization's fundamental principles on rights at work, the OECD Guidelines for Multinational Enterprises, the Global Sullivan Principles and the Social Accountability 8000 (SA 8000) standard, an auditable standard for the protection of workers' rights developed by the Council on Economic Priorities Accreditation Agency and focuses on ABB in society, human rights, children and young workers, freedom of engagement, health and safety, employee consultation and communication, equality of opportunity, harassment and disciplinary practices, working hours, compensation, suppliers, community involvement and business ethics.

A number of social activities have been taken up by the Company in the past several years. With the recent mandate, under Section 135 of the Companies Act, 2013, CSR activities of the Company attained a renewed vigor. A CSR policy was framed in consultation with relevant stakeholders and approved by the Company's CSR Board Committee which identified five core areas of focus, viz., access to electricity, education and skills enhancement, health care, differently-abled, and environment and local safeguard.

The Company formed a CSR Committee of the Board comprising three directors, of which one is an independent director, who chairs the said Committee. The Committee meets once every quarter to monitor, supervise and give directions to the CSR activities undertaken by the Company, besides approving the budget and reviewing the actual spend for such activities by the Company. Further, the formed CSR Subcommittee along with identified CSR champions from respective locations assist the Board level CSR committee in driving the Company's CSR agenda in line with the framed policy and strategy.

The spend for the CSR activities of the Company is routed through ABB India Foundation - a registered Trust comprising Company's employees as Trustees. The company partnered with several NGOs - after carrying out legal due diligence as per the Company's policy - to carry out CSR program focusing on disadvantaged sections of the society.

In the current year a total of around ₹ 55 lakhs has been spent by the Company for CSR activities, out of which the spend by the ABB India Foundation was around ₹ 25 lakhs. Additionally, a number projects have been initiated by the Company in the year to the tune of ₹ 40 lakhs, which would be completed in the year 2015.

The total spend towards CSR is distributed as under:

CSR spend 2014 - Focal area

- Education, 48%
- Disaster relief, 45%
- Health, 7%



As the Companies Act provision pertaining to CSR activity came into force only on April 1, 2014, the Company focused its efforts during the year under review in drawing up CSR Policy and Processes, identifying the focus areas for CSR activities, identifying NGOs for implementation, etc., and hence could not spend the entire amount to be earmarked for CSR activities as per the Act.

The Company has chalked out various programs for spending in the years to come and hence hopes that going forward, it would be able to spend the limits prescribed in the Companies Act.

Advocacy and trade bodies

The ABB Group is a member of or is associated with the following institutions / bodies.

- Amnesty International
- Center for Environmental Assessment of Product and Material (CPM),
- Chalmers University of Technology, Gothenburg, Sweden
- Global Reporting Initiative
- Institute for Human Rights and Business
- International Committee of the Red Cross
- International Institute for Management Development (IMD), Switzerland
- International Organization for Standardization
- Oikos International, Switzerland
- The Global Business Initiative on Human Rights
- The Hunger Project, Switzerland
- Transparency International
- United Nations Global Compact
- World Business Council for Sustainable Development
- World Childhood Foundation, Sweden
- World Economic Forum

The Company is a member of a number of industry associations namely:

- Confederation of Indian Industries (CII)
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- Swiss Embassy
- Swedish Embassy
- Swiss Chamber of Commerce
- Federation of Karnataka Chambers of Commerce and Industry
- Bombay Chamber of Commerce and Industry
- Bangalore Chamber of Industry and Commerce

It also participated in a number of exhibitions organized by various industry bodies.

The Company's long tradition of pioneering technologies and solutions in power and automation, its continued stronghold on advancing technology and application and this is catalyzed extensively through focusing on internal R&D programs in coordination with world's top-class academic institutions. The Company's management has established the Academic Partnership Program (APP), under which the Company will develop R&D associations with leading academic institutions in India who specialize in technical areas relevant to ABB.

Respecting and promoting human rights

One of the core areas of corporate responsibility at the Company is Human Rights. A Human Rights policy and public statement was approved by the Group in 2007, complementing its existing policies for raising social, environmental, health and safety and business ethics performance and draws on the Universal Declaration of Human Rights, the ILO Core Conventions on Labor Standards, UN Global Compact, the OECD Guidelines for Multinational Enterprises and the Social Accountability 8000 standard. The ABB Human Rights and Social Policies specifically refer to the ILO Core Conventions as the minimum to be achieved, with respect to non-discrimination, prohibition of child and enforced labor, freedom of association and the right to engage in collective bargaining.

The Company in line with the Group policy seeks to raise its standards, and increase its understanding and mitigation of human rights risk. In this reporting period, there have not been any grievances related to Human Rights in the Company.

Integrity, transparency and accountability

One of the core values of ABB is integrity; the Company takes pride at doing business ethically and honestly. It believes in not just complying with the law and regulations but also ensure that its decisions and behaviors are fully aligned with its business policies and expectations. ABB's Code of Conduct and a Supplier Code of Conduct helps to achieve transparency and integrity standards, and seeks continuous improvement in its ethical, environmental social and human rights performances.

The Company's integrity program is built on the ABB Group Code of Conduct which is the integrity framework that describes employee and other stakeholder's behavior. The Code of Conduct has been framed to be in line with Guideline 6 of the OECD and Principle 10 of the UN Global Compact and prohibits illegal payments in all its forms, including corruption, extortion, improper payments and all its forms and fraud. The Code of Conduct also draws on a strong set of internal standards and policies strictly forbids bribery and corruption by any of its employees and needs all to comply with all applicable national laws and international treaties. As a rule, facilitation payments are not permitted. The policies also require all employees to comply with all applicable antitrust laws and other laws regulating competition.

All employees are expected to live and work by the ABB core principles of respect, responsibility and determination. The Code of Conduct is a guide to the general business principles that permeate its relationships with customers and other business partners, with the financial markets, in the communities and countries where it does business and, last but not least, with each other. It is also a set of practical instructions to help employees in their day-to-day work. The Code of Conduct document is shared with every employee. The Company has made available the Code of Conduct in vernaculars like Hindi, Kannada, Gujarati, and Marathi to make sure it is understood by everybody. Agreement with suppliers, sub-contractors and consortium partners are also governed by the Company's commitment to integrity. The commitments integrated into the Supplier Code of Conduct include but are not limited to, anti-bribery laws.

Company has strong program to detect and prevent non-compliant behavior and other integrity concerns. There are also frequent internal audits, anti-bribery review to detect, identify cases of non-compliance on the Code of Conduct. The Company also runs an employee survey exercise to further understand attitudes, awareness and perceptions of integrity within the Company.

The Company has also established different reporting channels internally on integrity issues and ABB runs a business ethics hotline for addressing issues. The Company's Ombuds program offers additional channel for complaints.

The Company encourages all its employees and other stakeholders to speak up and report integrity non-compliances and concerns. The Company's Whistle Blower Protection Policy protects employees who report behavior and practices that are suspected to be inconsistent with the Code of Conduct.

Links to the Company policies and programs

Sustainability:

<http://www.abb.com/sustainability>

OHS Policy:

<http://www.abb.co.in/cawp/abbzh258/2b29259f7d32970dc1256f6b004f8842.aspx>

Environmental Policy:

<http://www.abb.com/cawp/abbzh258/5e36ae0a07874d63c1256bc7003d1830.aspx>

Social Policy:

<http://www.abb.com/cawp/abbzh258/79d754a977a2141dc1256d3d0028e101.aspx>

Human Rights Policy:

<http://www.abb.com/cawp/abbzh258/19e081068bd263d0c12574110055cfd7.aspx>

Corporate Social Responsibility Policy:

<http://www.abb.com/cawp/inabb509/e1e3753d179bae6065257db2003be38c.aspx>

Sexual harassment of women at the workplace Policy:

<http://new.abb.com/indian-subcontinent/careers/working-at-abb/diversity-and-inclusiveness>

Code of Conduct:

<http://www.abb.co.in/cawp/abbzh252/45f145dc6cfc01cac12579b500315ed3.aspx>

Supplier Code of Conduct:

<http://new.abb.com/about/supplying/code-of-conduct>

Integrity Program (ABB Group):

<http://www.abb.com/integrity>

Whistle Blower Protection Policy

<http://new.abb.com/indian-subcontinent/investors/corporate-governance>

Energy Efficiency (ABB Group):

<http://www.abb.com/energyefficiency>

Access to Electricity:

<http://www.abb.com/cawp/abbzh258/051d295b8c237da0c1256f6500462ea5.aspx>

Community Program for Differently-abled people:

<http://www.abb.co.in/cawp/seitp202/5b64260a18f6459ac1257abc003b22a9.aspx>

ABB Supplier Sustainability Implementation Guide

<http://www.abb.co.in/cawp/seitp161/1c85f0f085e972e4c12577680059b934.aspx>

Supplier Sustainability Development Program

<http://new.abb.com/about/supplying/sustainability>

Group Sustainability Report 2013:

<http://www400.abbext.com/sustainability-report-2013/servicepages/welcome.html>

Business Responsibility Report 2013:

http://new.abb.com/docs/librariesprovider19/default-document-library/abb_ar_2013_india_low-resb7aed5e2c1f463c09537ff0000433538.pdf?sfvrsn=2