

# Business Responsibility Report 2016

## Overview of sustainability at ABB India Limited

The Company is committed to sustainability with continuous improvements towards economic success, environmental stewardship and social progress. The Company maintains high social, environmental, human rights, ethical and governance standards for the benefit of all stakeholders. The Company's sustainability objectives covers all domains of operations with emphasis on energy and resource efficient products, systems and services, ways of lowering its own energy intensity and waste, occupational health safety, environment, and community development.

Sustainability considerations cover how the Company designs, manufactures, customer offerings, engagement with suppliers, assessment of risks and opportunities, and its engagement with communities where it operates and towards one another, while it strives to ensure health, safety, environmental safeguard and security of its employees, contractors and others affected by its activities. Corporate responsibility reflects the Company's values and behavior to its stakeholders.

The Company has several policies and standards in place to underpin its sustainability core values, covering business ethics and governance, the Code of Conduct, and policies such as the Group Social<sup>1</sup> and Human Rights<sup>2</sup> the Supplier Code of Conduct, the Company's Health, Safety & Environment Policy (HSE)<sup>3</sup> and Corporate Social Responsibility (CSR)<sup>4</sup> policies respectively. The various policies are further reinforced by various internal Group directives and instructions which are mandated within the Company's operations, manufacturing locations, project sites and also on vendors; so as to address the Company's sustainability goals across its value chain.

The ABB Group and the Company has over 125 years of experience in power and automation technology and to develop a complete portfolio of services for the renewable energy industry which covers virtually any requirement, from individual components for a wind turbine installation through to the turnkey delivery of onshore or offshore grid connection schemes. It has emerged as a pioneering technology leader with focus and having significant contribution to energy and fourth industrial revolutions.

ABB aims for a culture of leadership at every level. The Company has always focused on sustainable business practices and to contribute towards world class sustainable solutions for a better world. The Company continues to hold a key position in the market in terms of designing and delivering frontier technology, infrastructure and sustainable solutions in various domains including the latest being sustainable mobility solutions. It's focus has been on areas of electrification of all consumption points, robotics, intelligent motion solutions, industrial automation and on stronger, smarter and greener power grids. Sustainability considerations are woven into every business decision and the Company takes a complete life cycle approach to considering sustainability aspects i.e. from R&D to design, manufacturing, and also in third party supplier qualifications.

It is a global leader in solar inverter technology, and has been powering solar projects across the country spanning the entire solar photovoltaic (PV) value chain, a key component of which has been the Company's solar inverter technology, made in the country. About 50% of India's solar energy generated passes through ABB equipment. The Company has supported and contributed to the Country Government's vision of focus and providing for clean energy. Out of the country's current installed solar capacity of ~8GW, utility scale projects would comprise 6.5 GW; to which the Company's inverters have been supplied. The Company has also supported the West Bengal government's initiative for solar electrification of schools by providing a cleaner and sustainable infrastructure for education. In the year, the Company also inaugurated a new solar inverter manufacturing facility in Bengaluru, India to cope with the doubling requirement of solar inverters and to provide for the surging focus on renewable based energy requirements in the country.

As a global leader in shore to ship solutions, and in line with the Government of India's 'Project Green Ports' project, the Company commissioned a state-of-the-art solution for shore-to-ship power supply at the Tuticorin Port which is a first of a kind installation at a commercial port in India. This solution expands the scope of the green agenda beyond renewable power to technology, which will enable ships docking at a port to plug for power instead of running on polluting diesel generators and using expensive power.

1. Group Social: <http://new.abb.com/sustainability/social-policy>

2. Group Human Rights Policy: <http://new.abb.com/sustainability/human-rights-policy-and-statement>

3. HSE Policy: [http://new.abb.com/docs/librariesprovider19/default-document-library/hse-policy-poster\\_24-x-32-in\\_v5.pdf?sfvrsn=2](http://new.abb.com/docs/librariesprovider19/default-document-library/hse-policy-poster_24-x-32-in_v5.pdf?sfvrsn=2)

4. ABB India CSR Policy: <http://new.abb.com/indian-subcontinent/investors/corporate-governance/india-corporate-social-responsibility>

The Company is a forerunner in smart grids solutions which integrates renewable energy into the power supply system while optimizing the system's reliability, energy efficiency and capacity utilization. These solutions have systems for controllable generation and storage and assist in matching the fluctuating levels of renewable power generation. Using data networks in real time, smart grids can intelligently and automatically control these increasingly complex power systems. The ABB Group is a pioneer in micro grid technology with more than 30 global installations across a diverse range of applications serving remote communities, islanded grids, utility grid support and industrial campuses. This innovative micro grid solution has been now extended for community use by the Company so that it helps communities by providing stable and cost-effective continuity of power supply while minimizing environmental impact under the Company's Corporate Social Responsibility activities.

The Company's ambition is being a leading supplier of innovative, safe and resource-efficient products, systems and services that help customers increase productivity while lowering environmental impact. ABB Group level targets have been set to increase revenue from the energy-efficient portfolio by 20 percent from 2014 to 2020.

The Company recognizes the importance of wide-ranging stakeholder engagement to help it achieve best practices and sustainable benefit for all its stakeholders. The Company also strives for excellence in health and safety performance. The sustainability/ HSE team drives forward the Company's key sustainability aims. It works along with business division's sustainability members to embed sustainability aspects into all actions, to improve sustainability awareness, increase efficiency, helps create best practice to combat potential HSE risks and to improve performance across key sustainability performance indicators.

The Company also introduced an integrated approach to statutory compliance management including HSE compliance in the year, in order to avoid conflicts, wasteful overlaps, gaps and to adhere to timely compliances. The Company recognizes that moving beyond compliance and integrating environmental management and social considerations into its core business processes offers it significant benefits. A number of sustainability programs initiated by the Group and at the Country level have been rolled out, for example safety awareness, reporting, adhering to list of chemical usage, human rights awareness and communication, social development projects etc.

ABB Group has developed a series of business relevant sustainability objectives, in consultation with leaders in the business, countries and functions and external stakeholders. These objectives reflect ABB's ambition and show how it intends to contribute to a more sustainable world. As a part of this work, individual targets and key performance indicators are being developed and rolled

out. Progress is reported in the annual Group Sustainability Report. In line with the ABB Group's sustainability strategy, the Company has set sustainability objectives and targets that are continuously monitored and along which action is taken.

## Healthy and safe working environment

A strong culture of respect for workplaces safety remained a top priority for the Company during the year. The Company has placed more emphasis on taking responsibility for the safety behavior of all and the focus was to embed a safety culture that puts safety first and its responsibility to all its employees and for those who work for the Company. The Company's vision led by its management was to review the effectiveness of existing systems, understand gaps and strengthen implementation of set procedures. This focus and renewed drive, led to the launch of several new innovative initiatives on effective implementation through digitization, on various aspects of safety at all of the Company's locations and activities. The Company also had multiple direct communications from the management in terms of safety priority and there were clear communication and directive from the management authorizing every employee to say "No" to any unsafe work.

The drive for safety was supported by bringing into force a comprehensive management approach to address safety through relentless monitoring, speed with elimination of hierarchy in matters of safety.

Some of the other key activities of the Company in the year have been promoting the 'Don't look the other way' campaign stressing on safety, new systems and processes for review of safety aspects and procedures at projects sites, factories offices, increased performance measurements, self-assessments, audits and increasing the number of hazard reporting and safety observation tours. There was close monitoring on safety performance by the country level safety steering committee comprising of top level management on a weekly basis.

Apart from its own employees, HSE practices are mandated to the Company's vendors and contractors as well. The Company has procedures to select contractors and service providers based on their competence and capability to undertake tasks in compliance with the Company's health and safety measures. As a guiding principle, the Company prefers and wants to do business with suppliers who have implemented health and safety management systems that comply with OHSAS 18001: 2007 standards. The Company's management team worked closely with HSE teams on ensuring ABB rules are firmly rooted in every individual associated with the Company be it an employee or contractor.

In addition, in terms of training and awareness, the Company is heavily focused on a culture change for safety. Apart from initiatives to increase hazard and near miss reporting, site observation tours to improve safety compliance in offices, factories and customers sites; safety related training and awareness sessions was a focus in the year of reporting.

The Company in 2016, clocked the highest number of hazards reporting compared to other ABB locations across the globe. A total of 81899 numbers of hazards were reported. There were continuous Safety Observation Tours (SOTs) by the management and reporting was further streamlined through a dedicated reporting and sharing repository. The total number of SOTs and hazard reporting increased by 35% and 14% respectively from the previous year. There has been significant surge in the SOTs by senior leadership in the year.

In the Company, during the year, out of total of 26.30 million contractor man-hours worked and 22.12 million employee man-hours worked, there were 2 fatalities, 3 serious injuries, 1 high potential incident, 7 lost time injuries, 38 medical treatment injuries and 594 first aid cases.<sup>5</sup>

In line with the ABB Group Safety campaign the Company observed the safety week across its facilities, offices and project sites from November 14 to 18, 2016. During this week, several activities around safety were planned and implemented such as special training and awareness sessions, announcement of the India HSE award, mock drills, various safety competitions, safety observation tours, awareness sessions on road safety, occupational health, and security. Key innovative and best practices were recognized and rewarded for in the India HSE award. Apart from this, the Company also observed the National Safety Day with the same vigor; where in varied safety awareness/ training activities were conducted across the Company.

## Environmental compliance

The Company is compliant with all statutory requirements related to environment, and specific environment related challenges are addressed under direct supervision of plant heads. To ensure statutory compliance, periodic monitoring is carried out and necessary mitigation actions are undertaken. There were no pending show cause / legal notices from Central Pollution Control Board / State Pollution Control Board for the year. There were no monetary fines/ penalties for Environmental non compliances paid by the Company during the year.

A comprehensive HSE compliance training was conducted through an external trainer for all of the Company's factory managers.

All of the Company's facilities are certified compliant to ISO management systems namely ISO 14001:2004 and OHSAS 18001:2007.

## Energy and climate

From bringing customers energy and resource-efficient solutions, to doing business in a more environmentally sound way, the Company has made significant and tangible progress in the past year. The ABB Group supported a number of pledges signed by world leaders at Climate Change Conference of Parties (COP)-21 in Paris, including a commitment to scale up renewable energy and help emerging economies transition their markets to energy efficient products. At COP-22, ABB demonstrated how this commitment translates into products and services that enable access to electricity and improve lives.

The Company has continued its efforts to mitigate climate change and lower environmental impact. In the year a total of 50,545 tCO<sub>2</sub> was generated from scope<sup>6</sup> 1 and 2 of the Company's operations. It had drastically reduced its diesel consumption last year and this year its focus was to reduce scope 2 emissions by sourcing green power and solar PV installations, the fruits of these efforts will be reaped in 2017.

The Company plans to have a fully integrated and standardized micro grid with rooftop photo voltaic at its largest facility in Vadodara, Gujarat to help it increase its renewable energy generation while reducing dependency on fossil fuel. The Company's grid electricity consumption in the year was 56493 MWh and 59.4 MWh from in-house solar installations.

The Company has also plans of reducing diesel consumption by establishing an on-site 66 kV substation at its facility in Mysuru which will ensure uninterrupted power supply. Conventional boilers at the Mysuru facility are being replaced by fuel efficient boilers to reduce its dependency on fuel oil and increasing the use of eco-friendly agro fuels. Lighting retrofits continue to help the Company achieve considerable reductions in energy consumption across many of the Company's facilities.

<sup>5</sup> Categories as defined by the Company

<sup>6</sup> Categories of scope 1 and 2 as defined by the WBCSD GhG protocol

## Water management

The ABB Group has developed an in-house water tool to map and analyze water flows at its manufacturing facilities in water-scarce and extremely water-scarce watersheds. Facilities have used this tool to review water flows, analyze water-related threats to their operations, and develop water action plans to minimize risks and leverage opportunities. The Company is working towards becoming responsible stewards of water. Although majority of the Company's manufacturing processes do not consume significant amounts of water, it is nonetheless committed to reducing its impact on local water resources.

The Company's efforts are towards reducing dependency on fresh water including water efficient technologies like water efficient fixtures to reduce consumption, arresting leakages and usage of recycling water for landscape and flushing. The treated water quality is monitored periodically to ensure compliance to applicable environmental legal requirements. The Company has zero liquid discharge Effluent Treatment Plants (ETPs). It continuously monitors its water consumption by installation of water meters for accurate measurements. The Company also ensures ground water recharge through infiltration wells to harvest rainwater. The Company's freshwater consumption in most of its facilities is predominantly for domestic purposes and hence do not significantly impact water resources. Water withdrawal in the Company's manufacturing facilities in the year was 0.68 million m<sup>3</sup> and recycles 25% of the water utilized in its facilities.

## Waste management

The Company's other key focus area is waste management wherein generation to disposal approach is adopted. Reduction of wastes at the source is undertaken by means of process optimization and reuse strategy. The Company has reduced the use of wooden pallets. Reuse of packaging wastes like carton boxes, Electro Static Discharge (ESD) covers, corrugated boxes, wooden pallets etc. has ensured reduced procurement of packing material while ensuring reduction in packaging wastes. Printed Circuit Board Assembly (PCBA) and used oil are also reused within the facility. All wastes generated are segregated at source and stored in designated areas in the scrap yard before disposal to the relevant Pollution Control Board (PCB) authorized recyclers. The Company has taken stringent targets to reduce wastes sent to landfill and has increased the recyclability of wastes by responsible sourcing. Of the total wastes disposed, 54% is recycled.

The Company understands that it is important to minimize the environmental impact related to its own manufacturing and service activities, and the real challenge is in reducing the impact along the whole value chain which includes the

impact from its products, from material selection through production, operation and end-of-life treatment. A majority of ABB's products have very long operating lifetime, hence, high efficiency and low emissions during operation of the product are essential in reducing the total environmental impact.

ABB Group uses a process called the ABB Gate Model for product and technology development. Sustainability aspects are built into this model and includes a standardized Life Cycle Assessment (LCA) procedure. The ABB Group also develops Environmental Product Declarations (EPD) to communicate the environmental performance of core products over its entire life cycle. EPDs are based on detailed LCA studies conducted using the LCA model and declared according to international standard ISO/TR 14025. EPDs are available for over 70 ABB products such as power transformers, low voltage circuit breakers, gas insulated switchgears, current relays, etc.

Sustainability parameters are monitored and are also consolidated yearly for various reporting purposes. The ABB Group has launched an online global tool for data collection of sustainability parameters for all locations. The country sustainability controller reports on all key sustainability parameters on an annual basis across the Company's sustainability performance. The ABB Group prepares the Group Sustainability Report annually for public disclosure based on the Global Reporting Initiative (GRI) guidelines. The Company publishes the Business Responsibility Report every year as per SEBI's requirement and this is part of the Company's annual report.

## Supply chain sustainability

As a responsible corporation, ABB extends its influence to ensure a responsible working environment to the ecosystem of direct and indirect stakeholders. This includes partners in the supply chain who share considerable footprint in 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<sup>7</sup> defines requirements for ABB suppliers and is integrated with the General Terms & Conditions. The Company considers its suppliers as business partners and demand that they conduct their business consistent with the standards and principles of the Company, complying with a number of sustainability performance indicators including HSE regulations, internationally proclaimed human rights standards and ensuring equality of opportunity; are expected as the minimum level of commitment.

As a part of the Company's continuous improvement, our ABB Supplier Code of Conduct was updated in 2016. The modifications more explicitly referenced zero tolerance to

issues like forced labor and risk of engaging victims of slavery and human trafficking. The key supplier requirements are:

- Suppliers should conduct their business in an ethical manner
- Suppliers should respect human rights, ensure fair labor conditions
- Suppliers should engage their supply chains to raise awareness about sustainability
- Suppliers must commit to occupational health and safety and environmental protection; conduct their business in a safe and an environmentally sensitive way
- Suppliers should not use banned or restricted substances in processes

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 with a highly competitive and sustainable supply chain. Under the program, the Company trains suppliers and Company employees, and carries out supplier audits to identify areas of improvement in the following domain:

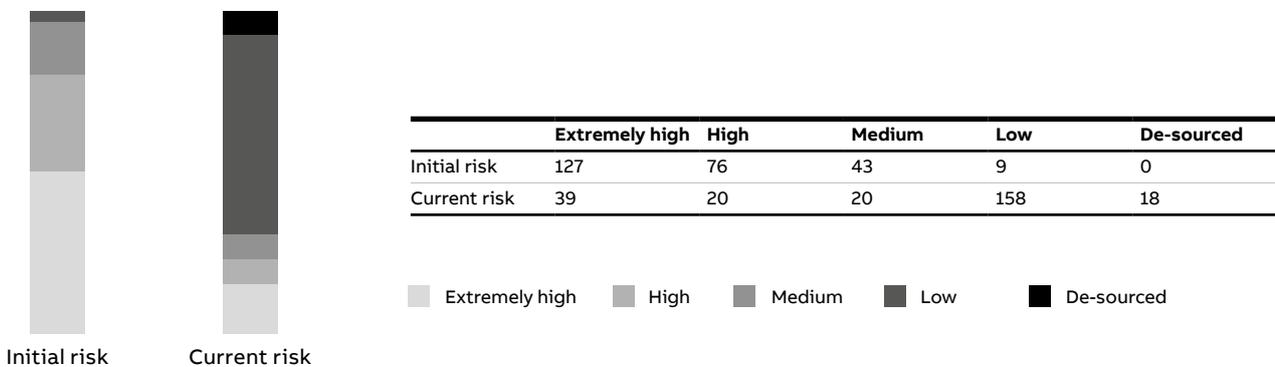
- General management
- Working hours
- Remuneration
- Social benefits
- Health and safety
- Environmental protection

In addition to regular trainings, the suppliers also have access to the ABB Supplier Sustainability Implementation Guide which provides practical advice on how to meet the requirements of the Supplier Code of Conduct. The Company also reviews the implementation of action plans by follow up audits. Suppliers were supported throughout the program for any kind of technical query.

In India in 2016, 126<sup>8</sup> suppliers have been trained on sustainability requirements and 54 of them were assessed for such requirements. In addition to this, safety & environment risk assessment workshops were conducted at three manufacturing locations for suppliers. 87 delegates from 53 suppliers attended this program. With these, the total number of suppliers trained under the program since 2009 stands at 542<sup>9</sup> (may include suppliers who have undergone repeat trainings) and the total number of suppliers assessed stands at 255<sup>10</sup>. During 2016, 44<sup>11</sup> employees were trained in the program and internal teams made over 124<sup>12</sup> visits to the suppliers to assess their systems.

This program helped the 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 2016, before and after corrective actions under the SSDP). At the end of 2016, 18<sup>13</sup> 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.

In order to further strengthen its responsible sourcing strategies, the Company is revisiting its sourcing process and is adopting additional controls. ABB did a recertification program for its internal lead assessors, under which seven ABB employees renewed their certificates after an onsite evaluation. Having employees who can conduct and evaluate sustainability performance of the suppliers will further embed the sustainability practices in sourcing activities.



7 ABB supplier code of conduct  
 8 Trainings-Q4 IN SSDP KPI Report  
 9 Ibid  
 10 Supplier Assessments- Q4 IN SSDP KPI Report 2016  
 11 Trainings- Q4 IN SSDP KPI Report 2016  
 12 Ibid- summation of assessments & reassessments in 2016 (Q1-Q4: 54+30+25+15=124)  
 13 Ibid- summation of blocked suppliers

## Stakeholder engagement

ABB has been making greater efforts in recent years to engage formally with different stakeholders on sustainability issues. It is a recognition that the Company's business success is closely tied to such exchanges, and the potential benefits of acting on the feedback we receive. ABB Group has produced a systematic approach to holding an effective sustainability stakeholder dialogue. The tool has been created to help record the details of the meeting, the main areas for discussion and potential follow-up measures.

The Company's key stakeholders are customers, investors, suppliers, representatives of civil society and employees. All stakeholders are increasingly asking the Company about different aspects of sustainability performance. This has helped the Company to understand their priorities as well as which areas of sustainability are material to its business success.

Stakeholder mapping and profiling has identified the following stakeholders for the Company:

| Stakeholder group     | Key identified stakeholders          | Details of stakeholder interactions   |
|-----------------------|--------------------------------------|---|
| Internal stakeholders | Permanent employees                  | Various employee welfare programs, ongoing wellness & engagement HSE and sustainability programs, and awareness cum training sessions, Internal communication                         |
|                       | Contract employees                   |   |
| Business stakeholders | 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)  |
|                       | Distributors/Channel Partners        | Providing services / selling of the Company's products or as a managed service provider   |
| External Stakeholders | Regulators                           | Meetings and interactions for compliance requirements, permits etc.   |
|                       | Trade bodies                         | Seminars, conferences and sharing good practices  |
|                       | Peer companies                       | Through industry bodies, associations, seminars, exhibitions and events   |
|                       | International organizations          | Partnerships for R&D and CSR 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, CSR activities, 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   |
|                       | Consultants and certification bodies | External advisory, assurance, certification services on various management process and systems for performance improvements of the Company through separate projects and assignments. |

Various stakeholder meets have been conducted by the Company in the year. Contractor safety meets are done on a continual basis to bring contactors and vendors in line with ABB's safety requirements and codes of practice.

There have been a series of partnerships with premium research institutes in the country for research and development on frontier areas such as power, automation, renewable energy etc. The Company also participated in the 'Switch India' event organized at Vadodara, and its portfolio – from smart sensor motors, digital substations and micro grids etc. showcased the digital future of power and automation. The Company had several interactions with various Government Ministries and departments such as Department of Heavy Industries, Ministry of Power, Ministry of New and Renewable Energy, National Skill Development Council etc., with a perspective on sustainability and to provide implementable sustainability solutions for the country. The Company is also an active member to key trade and industry associations in the country. Feedback and inputs received through stakeholder engagements are given due consideration and feasible good practices and recommendations are considered for integrating into the Company's business practices.

A total of 401 investor requests were received, all of which have been satisfactorily responded to during the year.

For employee participation and engagement, there are several ongoing initiatives. Also there were several management communications with emphasis on wellness & safety in daily work. Also for the senior management at the Company, the annual leadership meet was held to discuss on key topical issues of the Company.

#### **Advocacy, aid and corporate responsibility bodies**

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

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

As an active member of CII the Company participated in various forums on topics relevant to its business such as smart cities, sustainability, renewable energy etc. It also participated in a number of exhibitions organized by various other industry bodies

#### **People well-being**

The Company attracts top performers due to its inclusive culture. The people strategy is aligned with the Company's overall ambition to accelerate sustainable value creation.

This required continuing to provide a stable work environment in an uncertain market and maximizing the potential of the Company's workforce. Through its evolving employee-friendly policies and processes, the Company's Human Resources encouraged and demonstrated dynamism and openness to change. The Company has made strategic decisions in key Human Resources areas that has enabled growth in the Company and resulted in a performance-driven year.

During the year, the Company has consistently set a clear path to learn and adapt to perform better in the volatile market situation with its enhanced performance management and talent strategy, focusing on building a healthy pipeline by attracting, assessing and developing talent. In addition, persistent attention to providing an inclusive environment to promote diversity in gender, age and culture, including opportunities for global mobility, forms a part of the proactive plan to manage talent in key function areas. The Company's Competency Model, aligned with the business strategy, helps realize its full potential, individually and as an organization.

As part of the next level strategy, in 2016, the Company's Human Resources also made great strides in establishing world-class Global Business Services (GBS) organization and Centers of Excellence (CoE). These have been set up to make ABB faster, more agile and customer-focused, and ultimately, strengthen its position as preferred employer in a rapidly evolving market. Industrial relations remained cordial and harmonious across all manufacturing locations.

#### **Learning and development, and training**

The Company's learning and development (L&D) function focuses on leadership and professional development programs. However this function also provides project management programs like Project Planning, Analysis and Control (PPAC) and Project Management Application (PMA) training on need basis. All divisions have a technical training department which provides technical training programs to their respective employees.

The Company's L&D team is responsible for the implementation of Global Training Programs such as ABB Life, Leadership Challenge Program (LCP), manager development program, middle manager program etc. L&D Partners are spread across different locations to assist the business units with global and local training initiatives. The Company's business units Human Resources teams are undergoing training to become trainers in their own locations for the near future. On the other hand, while most of the training initiatives are in-house, the Company's L&D team as needed works closely with external agencies and vendors to meet its the demands of local training programs and for the required a level of expertise.

### Career development and opportunities

ABB encourages employees to progress within the organization as opportunities arise. Employees take responsibility for exploring and planning their future. Employees use career guide in their own career planning. The Human Resources function of the Company provides strong support to employees and managers in creating long term career plans.

The overall structure of career guide is clear and transparent. It helps the Company's employees to get a better understanding of their career possibilities and development activities. The development needs are reviewed on a regular basis to determine actions required to perform and develop in the current role, in a satisfactory manner and to prepare for future roles within the Company.

The Company's Higher Education Sponsorship Policy supports in building-up technical competencies in interested employees by giving them an opportunity to enhance their academic qualification for engineering and related courses in areas relevant to ABB. This policy also aims to establish a benchmark policy of supporting employees in pursuing higher studies in line with the industry practice.

The Company for many years now has collaborated with academia to promote R&D partnership and cooperation in various areas of pioneering technology relevant to the Company. ABB's Academic Partnership Program (APP) launched across many leading Indian universities, has provided a platform for young, bright, talent to gain confidence and exposure to address complex industrial problems with innovative ideas and cutting-edge technologies in the areas of energy efficiency, renewables, water, power and automation for utility, industry, infrastructure and transportation. The key motivation is to sustain advanced research programs in top academic institutes of India.

The Company seeks to support bright young future technologists and enable them to gain hands-on experience. The selection criteria for partnering with a university for research is based on intense scrutiny and a stringent internal review process. This has resulted in proactive R&D cooperation projects with 18 Indian and two global universities to date, supporting eight doctoral and 13 Masters students during the last three years. The ongoing projects include topics ranging from robotics to software and energy storage engineering, thermal analysis, oil and gas, heterogeneous networks and many more.

### Diversity and inclusion

The Company understands that diversity supports innovation and success and the Company strives to go beyond this. In line with the ABB Group vision and policy, the Company welcomes different ways of thinking and acting, different qualities and skills, different experiences and backgrounds and values them because as the Company is dedicated to being inclusive, recognizing and respecting all aspects of difference.

As part of the Company's efforts in this front, it references its principles outlined in the following:

- The Organization for Economic Cooperation and Development's Guidelines for Multinational Enterprises
- The International Labor Organization's Declaration on Fundamental Principles, and
- The United Nations Universal Declaration of Human Rights

| Sl. No. | Key Human Resource statistics   | 2016   |
|---------|---|--------|
| 1       | Total number of permanent employees   | 5,603  |
| 2       | New employees added to the Company  | 386    |
| 3       | Apprentice / Interns / Trainees   | 995    |
| 4       | Total number of employees hired on contractual basis                            | 265    |
| 5       | Of these how many were women  | 340    |
| 6       | Number of permanent employees with disabilities                                 | 21     |
| 7       | Recognized employee association   | Yes    |
| 8       | Percentage of permanent employees who are members of the recognized association | 18.42% |

The Company is committed to provide a safe and productive work environment that promotes the confidence to work, to innovate and to perform without fear of any type of harassment. The Company has a 'zero-tolerance' approach to any instance of sexual harassment. The Company's policy on sexual harassment of women at the workplace provides an effective resolution for any instance of sexual harassment and aims to prevent / deter the commission of acts of such harassment.

The Company has an Internal Complaints Committee for the prevention of sexual harassment as a part of the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. This aims to provide protection against sexual harassment of women in the workplace and for prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidentals thereto. The Company has the Internal Complaints Committee at each location and establishments (all locations where more than 10 women are employed). There were no complaints received by the said committee in the year

### Customer engagement

The Company values and respects its customers, and strives to meet and exceed its customer expectations. The Company as a pioneering technology leader offers its customers products and solutions that improve operational and resource efficiencies and performance.

Feedback received from customers is used to improve the Company's products, systems and services. Since 2010, the Company has adopted the Net Promoter Score (NPS) survey on an annual basis in order to understand how the Company is perceived by its customers. The customers' response to the "recommend" question and the red card / green card feedback, tells the Company how it measures up to the customers' expectations, highlighting the areas where it has performed well and those where it needs to do better. In the NPS survey carried out by the Company in 2016, over 5,400 customer responses were received, representing a response rate of 62 percent. The NPS score rose to 61 percent, an improvement of over 2 percentage points as compared to the previous year.

The Company also has a cross-divisional initiative called Customer Contact Management (CCM) to improve the Company's set-up and performance with respect to inquiry handling, thereby contributing to improved customer experience & satisfaction. The initiative comprises a country-level Contact Center which provides an easy-to-reach contact point for those customers and other business partners who do not know where to turn to. The Contact Center receives inquiries – which can be of any kind for any product, system or service - and routes them to the business units or functions in ABB for their response and resolution. The Contact Center does not replace but complements existing channels between a customer or other business partner and the business units and functions. The Contact Center is available all working days during working hours and the Company also has an all India toll free number and email where inquiries can be sent.

In terms of addressing customer complaints there is a set process called the Customer Complaint Resolution Process (CCRP), an ABB initiative to capture and resolve customer dissatisfaction with its processes, products and services, in the most expedient way. The system is designed to address issues in the shortest time, and the issue is handled within a maximum of 72 working hours. These are resolved on-time, more consistently, according to agreed targets. Customers are also given the opportunity to confirm if they were satisfied with the solution provided and the way it was handled. There were a total of 3156 customer complaints received for the year. 96.98 percent of all customer complaints received during the year have been resolved on time.

### 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. The Social Policy 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.

The Company strives for excellence in integrity and social responsibility. The Company in line with its set Corporate Social Responsibility (CSR) Policy completed various community engagements with the intent of contributing to the vulnerable groups of society. Its activities were predominantly in and around regions of its operation with focus on key set CSR focal areas.

Several innovative projects were undertaken and fulfilled specifically in the area of access to electricity, differently abled and education. Access to electricity being a key area of Company's interest, and with an objective of rendering the Company's technical and product competency to the community, the Company partnered with a premier research organisation in the country to contribute towards frontier research in renewable energy and for implementation of smart/ micro grid for a remote village community in the country.

In the area of education and differently abled, the Company's focus was to bring in more educational and awareness programs for underprivileged children. This was effected through partnership with Non-Governmental Organizations (NGO) who have the proven track record and experience in the sector.

CSR spending is through the Company's registered Trust namely the ABB India Foundation and is a mix of direct spending as well as through partnerships with verified NGO partners. During the year, the Company spent ₹ 740 Lakhs on CSR activities as stipulated under Schedule VII of the Companies Act, 2013.

Further a number of other projects that have been initiated with commitment with partnering originations, these would be implemented and completed in the forthcoming year. The total spend across various projects/activities is detailed in Annexure to the directors' report 2016 on Corporate Social Responsibilities (CSR) activities.

### **Respecting and promoting human rights**

ABB Group recognizes that respect for human rights is a material issue and failure to do so can cause harm to people and adversely affect business, with potential legal, financial and reputational consequences. The Company follows the Groups Human Rights Policy, which is in place since 2007.

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 ABB Group is trying to operationalize these principles in daily performance and in a coherent manner. Raising awareness of human rights is one of ABB's nine Sustainability Objectives for 2014-2020. The Company's managers and key personnel received the Human Rights training rendered by the ABB Group in the year.

The UN Guiding Principles are central to ABB's Human Rights training. A global awareness-raising program for senior managers focuses on understanding how ABB can potentially impact human rights, the importance of due diligence and how the company is embedding human rights in business processes, and a global capacity building program is also under way to create a network of specialists in key countries. In addition, ABB Group supports a number of leading organizations in their efforts to improve corporate understanding of human rights issues. 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**

The Company is committed to a high standard of integrity which is expected of every employee and in every activity. The Company has developed and implemented a systematic approach designed to prevent, detect, and resolve any potential integrity concerns. This is supported by tools and processes and a zero tolerance policy for any violations. The Company's integrity program in line with the Group has created an environment where all of the Company's employees can be open about identifying risks, asking questions, and raising concerns.

At the Company, integrity begins with leadership, responsibility and accountability. The integrity program relies on local management to lead by example. All local business unit managers regularly lead discussions about integrity issues to ensure that the ethics message comes from the same person that sets the business targets: "integrity is the business of the business". With support from top leadership, local leadership, committed integrity

resources, and partner resources (like Human Resources and Sustainability Affairs) the Company, is able to foster a strong and sincere culture of integrity.

The ABB Code of Conduct is the framework that explains the behavior the Company expects of every employee and stakeholder who work with it. It is applicable and expected to be adhered to by the Company's employees, and all other stakeholders who work for the Company.

Employees are not just encouraged, but are required to speak up and to report any suspected or observed violations of the law, or of the ABB Code of Conduct. Reporting channels / ethics hotline are available to report on any issues of non-compliances with respect to the Company's integrity policy or the Code of Conduct. The Whistleblower Protection Policy of the Company creates a safe and confidential environment for employees to make such reports. This policy governs the reporting and investigation of alleged improper or illegal activities within the Company as well as the protection afforded to those employees who report them (the "whistleblowers"). In case of reported incidents, all reports are subject to appropriate investigation and are brought to full closure using systematic processes and tracking systems.

The Company's Anti-corruption Policy is stated explicitly in the ABB Group directive on bribery and anti-corruption and emphasizes key components which are essential to ensuring a strict compliance to anti-bribery laws but also refraining from corruption. Bribery can also take the shape of paying facilitation payments, which have been banned in ABB for several years now. The Company enforces a rigorous zero-tolerance policy against any involvement in bribery or corruption and has put in place robust policies to prevent bribery such as on gifts, entertainment and expenses, charitable contributions and representatives, and measures to ensure ethical supply chains. In addition, the Company's policies mirror the principles set out in Transparency International's publication, Business Principles for Countering Bribery, a multi-stakeholder framework for companies to benchmark their integrity and compliance programs.

The Company has strong program to detect and prevent non-compliant behavior and other integrity concerns. There are also frequent internal audits, anti-bribery reviews to detect, identify possible 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 runs a business ethics hotline for any employee concerns on the subject.

# Links to the Company's Policies and Programs

**Group Sustainability:**

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

**India Sustainability:**

<http://new.abb.com/indian-subcontinent/about/sustainability>

**OHSE Policy:**

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

**Environmental Policy:**

<http://www.abb.com/cawp/abbzh258/20d663570aa2a7e0c1256d3c005b8fe6.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://new.abb.com/indian-subcontinent/investors/corporate-governance/india-corporate-social-responsibility>

**Sexual harassment of women at the workplace Policy:**

<http://in.inside.abb.com/cawp/gad00916/e2629cc057baae4065257b7a00241d25.aspx>

**Code of Conduct:**

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

**Supplier Code of Conduct:**

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

**Corporate Governance**

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

**Integrity Program (ABB Group):**

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

**Whistle Blower Protection Policy**

<http://www.abb.com/cawp/abbzh252/21845729c59f494ec12579b50031d6f5.aspx>

**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>

**Supplier Sustainability Development Program:**

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

**Note:**

The Business Responsibility Report (BRR) in format as specified by the Securities and Exchange Board of India (SEBI), pursuant to Regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report.

## Business Responsibility Report 2016 (As per Regulation 34 (2) of the Listing Regulations, 2015)

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

|     |  |   |
|-----|--|---|
| 1.  | Corporate Identity (CIN) of the Company  | L32202K1949PLC032923  |
| 2.  | Name of the Company  | ABB India Limited   |
| 3.  | Registered address   | 21st Floor, World Trade Center, Brigade Gateway, No 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru 560 055   |
| 4.  | Website  | http://new.abb.com/indian-subcontinent  |
| 5.  | E-mail id  | investor.helpdesk@in.abb.com  |
| 6.  | Financial Year reported  | 2016  |
| 7.  | Sector(s) that the Company is engaged in (industrial activity code-wise)                       | 1. Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus - 271<br>2. Manufacture of other electrical equipment - 279<br>3. Manufacture of electronic components - 261<br>4. Manufacture of measuring, testing, navigating and control equipment; watches and clocks – 265 |
| 8.  | List three key products/services that the Company manufactures/ provides (as in balance sheet) | 1. Switch gear of all types<br>2. Transformers<br>3. Electronic control and supply units for variable speed drives for other applications<br>4. Motors and other machines   |
| 9.  | Total number of locations where business activity is undertaken by the Company                 | 36  |
|     | A Number of International Locations (provide details of major 5):                              | 4<br>Sri Lanka, Bangladesh, Nepal and Bhutan  |
|     | B Number of National locations:  | 32  |
| 10. | Markets served by the Company-Local/State/National/International                               | India, Nepal, Bangladesh, Sri Lanka, Middle East and Africa, South-East Asia, Europe and Americas.  |

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

|    |   |  |
|----|---|--|
| 1. | Paid up Capital (INR)   | 42.38 Crore  |
| 2. | Total Turnover (INR)  | 8,713.64 Crore                                     |
| 3. | Total profit after taxes (INR)  | 376.25 Crore                                       |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%) | 1.97%  |
| 5. | List of activities in which expenditure in 4 above has been incurred:                           | Refer CSR report attached to the Directors' Report |

### SECTION C: OTHER DETAILS

|    |  |                     |
|----|--|---------------------|
| 1. | Does the Company have any Subsidiary Company/ Companies?   | No                  |
| 2. | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)  | Not Applicable.     |
| 3. | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | Yes. More than 60%. |



(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| No. | Questions   | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----|----|----|----|----|----|----|----|----|
| 1.  | The company has not understood the Principles   |    |    |    |    |    |    |    |    |    |
| 2.  | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles |    |    |    |    |    |    |    |    |    |
| 3.  | The company does not have financial or manpower resources available for the task  |    |    |    |    |    |    |    |    |    |
| 4.  | It is planned to be done within next 6 months   |    |    |    |    |    |    |    |    |    |
| 5.  | It is planned to be done within the next 1 year   |    |    |    |    |    |    |    |    |    |
| 6.  | Any other reason (please specify)   |    |    |    |    |    |    |    |    |    |

3. Governance related to BR

|     |  |  |
|-----|--|--|
| (a) | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year | 3-6 months.  |
| (b) | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?   | Yes. The Business Responsibility Report is published annually. <a href="http://new.abb.com/docs/librariesprovider19/default-document-library/brr_2015.pdf?sfvrsn=2">http://new.abb.com/docs/librariesprovider19/default-document-library/brr_2015.pdf?sfvrsn=2</a> |

SECTION E: PRINCIPLE-WISE PERFORMANCE

| Principle 1 |   |   |
|-------------|---|---|
| 1.          | Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?                               | No. It extends to the Group/Joint Ventures, Suppliers, Contractors, NGOs and Others.                  |
| 2.          | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. | There were 401 investor grievances received, off which all of them have been satisfactorily resolved. |
| Principle 2 |   |   |
| 1.          | List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.   |   |
|             | (a) Gas insulated switch gear   |   |
|             | (b) Low voltage circuit breakers  |   |
|             | (c) Large Distribution Transformer  |   |
| 2.          | For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):  |   |
|             | (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?   | Not available   |
|             | (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?  | Not available   |

|  |  |
|--|--|
| 3. Does the company have procedures in place for sustainable sourcing (including transportation)?  | <p>Yes. The Company has set procedures to select suppliers, contractors and service providers based on their competence and capability to undertake tasks and in compliance with the ABB's Supplier Code of Conduct which includes health &amp; safety, environment, ethics &amp; integrity, human rights, working conditions among others. As a guiding principle the Company prefers to do business with compliant and sustainable suppliers. The Company has set procedures in place for sustainable sourcing including transportation. At the time of qualification to become an ABB supplier, the vendor is assessed across sustainability matrix.</p> <p>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 with 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, Environmental protection, Human Rights aspects etc.</p> <p>The ABB Group directive specifically for Sourcing for Transport &amp; Logistics service is a guidance document that the Company follows. Among many other stringent criteria that the supplier is evaluated upon, key sustainability aspects that are reviewed for selection include: HSE policy and training programmes of the vendor, compliance to internal and external certification of the operations staff of the vendor for HSE training to ensure their HSE competencies prior to commencement of work, follow of PPE requirement, certification of all safety tools, equipment by third party and to check if the vendor is in compliance with all the governmental environmental regulations, energy conservation and Carbon footprint initiatives . There are also stringent qualifications across ABB's Human Rights policy, training, and adherence to ABB's RoHS, Reach Compliance and to ABB List of Prohibited and Restricted Substances for supplier qualification.</p> |
| (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.  | All of the Company's vendors mandatorily go through a stringent evaluation and qualification criteria before they are registered within the Company. The qualification procedures include all aspects of sustainability performance.   |
| 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?  | Yes. Businesses do have their list of local suppliers however the Company is moving towards a centralized procurement team and all of its vendors and suppliers need to meet with the set of qualification requirements of the Company   |
| (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?  | The Company has analyzed the identified the most common issues of our suppliers as "no health & safety risk assessment" and "no environmental risk assessment" during sustainability assessments. To address these issues systematically, three one-day workshops on the topic were organized at manufacturing locations of the Company in Bengaluru, Nashik, and Vadodara for our suppliers. Internal Company's documents & training materials on best practices has been made available to suppliers to expedite their learnings.  |
| 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. | Yes.<br>>10%. The Company has stringent waste management practices for internally generated wastes; covered in the Company's HSE policy.   |
| <b>Principle 3</b>   |  |
| 1. Please indicate the Total number of employees.  | Permanent employees: 5603  |
| 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.  | Apprentice / Interns / Trainees : 995<br>Contract employees: 265   |
| 3. Please indicate the Number of permanent women employees.  | 340  |
| 4. Please indicate the Number of permanent employees with disabilities   | 21   |
| 5. Do you have an employee association that is recognized by management.   | Yes  |
| 6. What percentage of your permanent employees is members of this recognized employee association?   | 18.42%   |
| 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.                        |  |

| No.                | Category   | No of complaints filed during the financial year | No of complaints filed pending on end of the financial year  |
|--------------------|--|--|--|
| 1.                 | Child labour/forced labour/involuntary labor   | Nil  | Nil  |
| 2.                 | Sexual harassment  | Nil  | Nil  |
| 3.                 | Discriminatory employment  | Nil  | Nil  |
| 8.                 | What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?  |  | Yes. On a periodical basis.<br>All of the Company's employees underwent safety related training and skill upgradation.   |
|                    | (a) Permanent Employees  |  |  |
|                    | (b) Permanent Women Employees  |  | An average HSE training hours was 3.81 hours / employee  |
|                    | (c) Casual/Temporary/Contractual Employees   |  | This category of employees are subjected to skill based training depending on the work and job roles. Training matrix is designed based on their job risk profiles.<br>As and when required, refresher trainings are provided to upgrade skills based on any changes in the work/ job profiles of employees.   |
|                    | (d) Employees with Disabilities  |  | Training on various aspects are given to employees including persons with disabilities   |
| <b>Principle 4</b> |  |  |  |
| 1.                 | Has the company mapped its internal and external stakeholders?   | Yes  |  |
|                    | Yes/No   |  |  |
| 2.                 | Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  | No   |  |
| 3.                 | Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.            | No   |  |
| <b>Principle 5</b> |  |  |  |
| 1.                 | Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?   | No   | It is applicable to all – Group, Joint Ventures, Suppliers, Contractors, NGOs and Others.  |
| 2.                 | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  | Nil  |  |
| <b>Principle 6</b> |  |  |  |
| 1.                 | Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others.   | No   | It is applicable to all – Group, Joint Ventures, Suppliers, Contractors, NGOs and Others.  |
| 2.                 | Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.                  | Yes.   | <a href="http://new.abb.com/betterworld/how-abb-technology-mitigates-climate-change">http://new.abb.com/betterworld/how-abb-technology-mitigates-climate-change</a><br><br><a href="http://new.abb.com/docs/default-source/better-world/abb-statement-on-climate-change.pdf?sfvrsn=6">http://new.abb.com/docs/default-source/better-world/abb-statement-on-climate-change.pdf?sfvrsn=6</a> |
| 3.                 | Does the company identify and assess potential environmental risks? Y/N  | Yes  |  |
| 4.                 | Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? | No   |  |
| 5.                 | Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.                                 | Yes.   | <a href="http://new.abb.com/energy-efficiency">http://new.abb.com/energy-efficiency</a>  |
| 6.                 | Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?   | Yes  |  |
| 7.                 | Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.   | Nil  |  |
| <b>Principle 7</b> |  |  |  |
| 1.                 | Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:  | Yes  |  |
|                    | (a) Confederation of Indian Industries (CII)   |  |  |
|                    | (b) Manufacturers' Association (IEEMA)   |  |  |
|                    | (c) Federation of Karnataka Chambers of Commerce and Industry  |  |  |
|                    | (d) Swiss Chamber of Commerce  |  |  |
|                    | (e) Bangalore Chamber of Industry and Commerce   |  |  |

|                    |   |   |
|--------------------|---|---|
| 2.                 | Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) | No  |
| <b>Principle 8</b> |   |   |
| 1.                 | Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.  | Yes. The Company has a CSR policy and activities are on the 5 key focal areas for its social development projects/activities.   |
| 2.                 | Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?   | The CSR programs of the Company are through its registered Trust and activities include both direct spending through in house team as well as through partnerships with verified external NGO partners/ implementing agencies.  |
| 3.                 | Have you done any impact assessment of your initiative?   | Not Yet   |
| 4.                 | What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.   | During the year, the total spent on CSR activities by the Company was ₹ 740 Lakhs against a budget of ₹ 749 Lakhs as stipulated under Schedule VII of the Companies Act, 2013.<br>Details are in annexure attached in the CSR report  |
| 5.                 | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.  | CSR activities were pursued in line with the Company's policy and framework. The first step in the process is to identify communities that require our intervention through a stakeholder engagement. The Company has continual interactions with the relevant stakeholders so that its interventions are sustainable and is accepted and adopted by the key stakeholders.                                    |
| <b>Principle 9</b> |   |   |
| 1.                 | What percentage of customer complaints/consumer cases are pending as on the end of financial year.  | 3.02%   |
| 2.                 | Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)  | No  |
| 3.                 | Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.                                   | No  |
| 4.                 | Did your company carry out any consumer survey/ consumer satisfaction trends?   | Yes. Feedback received from customers is used to improve the Company's processes, products and services. 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. Since 2010, the Company has adopted the Net Promoter Score (NPS) Survey on an annual basis. |