Business Responsibility Report 2017

Overview of sustainability at ABB India Limited

Sustainability is at the core of the Company's business strategy. Sustainability considerations are embedded into the Company's daily business and helps in different ways to create value to its varied stakeholders and to manage its risks. Sustainability includes, but is not just limited to, activities under occupational health, safety, environment, security, community engagement, human rights but also moving beyond compliance requirements to have systems, process, and procedures, to create long term sustainable value to the Company's stakeholders. The Company has a integrated Health Safety and Environment (HSE) policy¹ and several other policies and standards in place to underpin its core values of sustainability.

Sustainable technologies lie at the heart of ABB's business. As a pioneering technology leader, ABB contributes to the delivery of many of the United Nations' Sustainable Development Goals (SDGs). The Company's core strength lies in its ability to innovate and manufacture energy-efficient products that have significant impact on what it offers customers, and prides itself as a Company that looks and focuses on sustainable products that drive the economy with long term sustainable development goals. The Company's solutions and services directly address the causes of climate change, and a large part of its value proposition is centered on improving the energy efficiency while reducing downtime and waste.

The Company has been instrumental in aiding the country's sustainable growth vision and agenda, focusing on smart cities, sustainable mobility solutions, bringing automation and energy efficiency in the country's core manufacturing and utility sectors, apart from focusing on its in house sustainability in terms of sustainable processes at its manufacturing locations.

Aligning with the Government of India's pursuit to bring 'Power to all', the Company is collaborating with various state utilities in modernizing infrastructure and in driving the energy revolution through digitalization solutions. The Company doubled its capacity for manufacturing solar inverters to support the surging growth in adoption of renewable energy-based requirements in the country. During the year the Company reached 5 gigawatt milestone for solar inverters made out of India. The Company is powering half of country's solar projects, which includes the ambitious project of Indian Railways to

use solar energy in running the largest railways network in Asia. The Company is providing solar invertors to 750 stations in the Northern Railways. The Company also provided solar inverters for charging e-rickshaws in Jabalpur smart city in Madhya Pradesh.

In another smart city, Kochi, the Company provided electrification and power solutions for its newly launched metro line. The Company is working with all operational metro rails in the country, becoming a partner of choice for the transportation and infrastructure industry. In India, the Company operationalized the world's first multiterminal Ultra High Voltage Direct Current (HVDC) link, which connects the North East region of the country to Agra. The link plays a vital role in bringing renewable hydropower from offshore location to meet the energy demands in the northern and central parts of the country. Additionally, the multi-terminal solution helps in saving land space by ~60 percent compared to the alternative of running separate power links from multiple hydropower plants to Agra. The Company is building another milestone HVDC link, running over 1,800 kms from Raigarh in Chhattisgarh to Pugalur in Tamil Nadu. These links help in bringing clean, green power from hydel and wind power plants in remote locations to demand areas in the country and increasing the clean energy mix for a sustainable living. The world's largest association of technical professionals, the Institute of Electrical and Electronics Engineers (IEEE) recognized the Company for its technological innovation in HDVC technology, qualifying it as a significant contribution among new inventions of the century.

The Company has also provided efficient water management solutions in various cities and districts. The Company provided highest capacity motors capable of pumping 23,000 liters of water per second, at a lift irrigation project in the southern state of Telangana. This project ensures availability of water for drinking and irrigation facilities throughout the year in a chronically drought-prone region.

The Company has a focused approach to address sustainability and has set itself with ambitious targets for key sustainability indicators such as energy, climate change, waste, water, right material use, resource efficiency, integrity, sustainable sourcing, safety, security and community engagement. All of these issues have a direct or indirect impact on the Company's performance and its success.

Sustainability objectives

The Company creates value by manufacturing and supplying energy-efficient power, automation products, systems and solutions to its customers in the utilities, industry, infrastructure and transportation sectors making their operations more energy-efficient and lowering overall environmental impact. Robust risk management processes, covering health, safety social, environmental and security impacts, strengthen business performance and resilience.

During the year the Company commissioned the Health Safety and Environment (HSE) / Sustainability Affairs board which conducted quarterly reviews of sustainability targets and performance across business units and factories. Sustainability parameters are recorded and consolidated yearly for various reporting purposes. The ABB Group has prepared online reporting formats for location level local sustainability officers' reports. The country sustainability controller reports on all key sustainability parameters on an annual basis across the Company's overall sustainability performance. The ABB Group prepares the Group Sustainability Report² annually for public disclosure based on the Global Reporting Initiative (GRI) guidelines. The Company annually publishes the Business Responsibility Report as per SEBI's requirement and is part of its annual report.

Healthy and safe working environment

A top priority for the Company is to ensure the health and safety of its employees and contractors. Safety culture is a set of practices that are developed and learnt by the organization to manage risks. These practices not only determine how employees view safety but also their safety behavior. ABB Group's program "Don't look the other way" also underlines the minimum safety behavior expected from each and every employee and this is the foundation stone for the Company's safety culture.

Under the overall theme of "Don't look the other way," the Company launched several initiatives during the year. Safety initiatives were accelerated to the next level to nurture responsible individuals who make safety a personal value. The Company's ultimate endeavor is to have zero injuries. Focus on safety was a prerogative from the top management, who consistently demonstrated exceptional safety leadership influencing behavioral change by "walking the talk" and having a non-hierarchical safety sharing environment for all employees of the Company.

Some of the key activities of the Company in the year have been promoting the "Don't look the other way" campaign stressing on safety aspects, occupational health wellbeing of employees, improved safety monitoring, management information systems, reporting, launching specialized tools, systems and processes for the review of safety at projects sites, factories and offices and to focus on behavior based safety program for all.

All vendors and contractors who work for and on behalf of the Company are held up to the same level of safety standards and procedures with no compromise to safety aspects.

The Company's contractors and service providers are evaluated and selected 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.

In terms of increasing the safety culture, the Company's focus was to report as many safety improvement opportunities. The Company received a total of 72,439 hazards during the year had 100% of its reported hazards resolved during the year. Safety Observations Tours (SOTs) continued to be a key reporting mechanism and in the current year there were several SOTs conducted by managers and teams across the Company. A total of 22,325 SOTs were conducted during the year.

The Company clocked a total of 26.24 million contractor man-hours worked and 23.81 million employee man-hours worked, with 1 fatality, 4 serious injuries, 1 high potential incident, 6 lost time injuries, 27 medical treatment injuries and 329 first aid cases³.

In an effort to motivate and propagate good safety practices within the Company, it continued to appreciate and reward key innovations, best practices and these were recognized and rewarded under the Company's HSE awards. During the year the Company focused on training on safety awareness, procedures across its employees and contractors. Focused training on ABB risks areas, Project Safety Management, Person Incharge of Work, are continually rendered to all employees. Specialized HSE skills program such as Behaviour Based Safety, Safety Master Class, for all managers was a key training objective for the year by the Company. The Company also had safety skills upgradation program for select nominated members to undergo additional certification programs such as Institution of Occupational Safety and Health (IOSH) and National Examination Board in Occupational Safety and Health (NEBOSH). The Company clocked around four HSE training hours per employee during the year.

As a part of occupational health and wellness, various employee programs such as employee executive medical check-ups, sessions on flexibility, interventions to encourage micro-pauses, were conducted. These are improving overall health of employees thus building a health conscious Company. The Company has Automated External Defibrillators (AED) at all locations and has trained all nominated employees and volunteers on its use. The emphasis on health by the Company has heightened employee awareness and responsibility towards their overall health and wellbeing.

projects. Energy efficient lighting continue to help the Company achieve considerable reduction in energy consumption. Fuel efficient boilers have replaced energy intensive conventional boilers at the Company's Mysore facility ensuring use of biofuels such as paddy husks and agro briquettes which are sourced locally from the farming community. This year the Company has included biofuel in its energy accounting which accounts for 44 percent of the total energy requirement. Hence the Company meets 51 percent of its total energy through renewable energy sources.

third parties at all our facilities to identify energy saving

Environmental management

The Company is compliant with all statutory requirements related to environment, and specific environment-related challenges are addressed under the direct supervision of plant heads. There are no pending show cause / legal notices from Central Pollution Control Board / State Pollution Control Boards for the year. There were no monetary fines / penalties for Environmental noncompliances paid by the Company during the year.

Environmental statutory compliance management is integrated with the Company's compliance tool which is adopted to manage all statutory compliances of the Company including HSE compliances. The tool also ensures timely updates of all HSE compliances and adherence to the same. To ensure statutory compliance, periodic monitoring and review is carried out and necessary actions are undertaken. All of the Company's facilities have been certified to ISO management systems namely ISO 14001:2004 and OHSAS 18001:2007.

Energy and climate

The ABB Group has released a new Climate Statement that builds on the 2015 version and the statement explicitly records ABB support to the Sustainable Development Goals and its full participation in the UN-led "Sustainable Energy for All" initiative. The climate statement helps progress ABB's sustainability vision that the Company will be recognized as a leading contributor to a more sustainable world through the deployment of the broad portfolio of pioneering technologies.

This year the Company has made significant progress towards its energy management. The Company's grid electricity consumption in the year was 58,502 MWh of which 16 percent has been through green power purchase and solar based lighting. This has resulted in the avoidance of 7,487 tons of CO₂.

The Company continues to focus on energy efficiency in its manufacturing facilities. Energy audits were conducted by

Water management

Water is a critical resource as most Indian cities are in water stressed zones. The Company is consciously working towards reducing water consumption where possible as majority of the Company's manufacturing processes do not consume significant amounts of water. Water withdrawal in the year was 0.65 million m³ at its manufacturing facilities. The water consumption in most of its manufacturing facilities is mainly for domestic consumption. The major initiatives on water include adoption of water efficient technologies, arresting leakages, enhancement and efficient use of treated effluent sewage effluent. All manufacturing facilities have in-house sewage treatment plant (STP) and the treated water is used for landscaping and flushing which accounts for about 27 percent of recycled water. The treated water quality is monitored periodically to ensure compliance with applicable environmental legal requirements. The Company also has zero liquid discharge Effluent Treatment Plants (ETPs) in few pertinent facilities. The Company ensures ground water recharge through rain water harvesting infiltration wells. Since the Company's freshwater consumption in most of its facilities is predominantly for domestic purposes, its impact on the water resources is very minimal.

Waste management

One of the Company's key focus is waste reduction and reuse. Waste reduction is considered in the product design stage to ensure waste minimization during production. At its manufacturing facilities, reuse of packaging material such as wooden pallets and carton boxes is practiced. Continuous improvement projects in processes to ensure reduction in waste generation is carried out regularly. All wastes generated are segregated at source to ensure recycling, and stored in designated areas in the scrap yard before disposal to the relevant Pollution Control Board (PCB) authorized recyclers. The Company's waste is handled by authorized vendors who are screened based on their Pollution Control Board permits and the recycling facility. 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 this year, 90 percent were recycled through authorized recyclers.

In Mysore, the Company uses the waste from local agricultural production to power our furnaces, and then the waste from the production processes is used by the farmers to grow their crops thus promoting and practicing a sustainable, circular economy. A total of 3,815 tons of bio fuel ash from the Company's Mysore facility was delivered to local farmers for use as organic soil conditioner and fertilizer in 2017.

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 include 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.

LCAs have been conducted for over 70 ABB products such as power transformers, low voltage circuit breakers, gas insulated switchgears, and current relays, etc. and these also have environmental product declarations (EPD). EPDs provide quantitative information on all concerned aspects in comparable terms, for example energy used, resources, materials used, global warming effects and use of nonrenewable resources in each one of the phases.

Supply chain sustainability

As a responsible organization, ABB commits to ensure a responsible working environment not only in its own factories but also its suppliers.

The ABB Supplier Code of Conduct is the mother document on which the Company builds its efforts to source responsibly. The Supplier Code of Conduct⁴ 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, complying with a number of sustainability performance indicators including environmental, 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, support continual improvement of the sustainability performance of suppliers and to provide customers with a highly competitive and sustainable supply chain. Under the program, a select set of suppliers are chosen every year and trained and audited by the Company. Supplier audits focus on below six areas

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

In 2017, the Company analyzed all the supplier assessments conducted between 2014 and 3rd quarter of 2017 to identify common areas of improvement. The result of this analysis was used to design and implement supplier improvement programs which helps build the capacity of suppliers and raise the performance standards of the Company's suppliers.

Awareness of key statutory requirements was identified as one of the main areas which needed immediate attention. Special workshop on legal awareness was designed with the help of external experts to cater this requirement. It was focused on activity based learning with a lot of group discussion, participant experience sharing and case studies.

The Company also conducted several trainings based on the vendor needs. The Company's 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. As part of the hand-holding process the Company also reviews the implementation of action plans of its suppliers and supports throughout the program for any kind of technical query or implementation challenge.

In India, 49^s suppliers have been trained on sustainability requirements and 34 of them were assessed for such requirements. In 2017, the total number of suppliers trained under the program since 2009 stands at 591^s (may include suppliers who have undergone repeat trainings) and the total number of suppliers assessed stands at 289⁷.

⁴ ABB supplier code of conduct

⁵ Trainings-Q4 IN SSDP KPI Report

⁶ Ibid - trainings-Q4 IN SSDP KPI Report

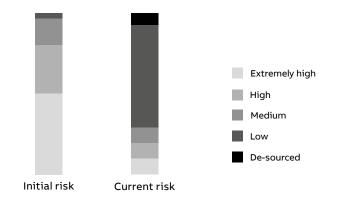
⁷ Supplier Assessments- Q4 IN SSDP KPI Report 2017

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 2017, before and after corrective actions under the SSDP). At the end of 2017 (quarter 4), 20° 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.

The Company has set procedures to select contractors and service providers based on their competence and capability to undertake tasks and in compliance with the Company's health and safety measures. A prequalification of the vendor is through an evaluation checklist across sustainability matrix before a vendor becomes a registered vendor of the Company.

The ABB Group directive specifically for Sourcing for Transport & Logistics service is a guidance document that the Company follows.

Among many other stringent criteria suppliers are evaluated upon, key sustainability aspects. Suppliers are evaluated on stringent qualification process across various parameters including sustainability aspects such as ABB's human rights policy, adherence to The Restriction of Hazardous Substances (RoHS) Directive, compliance to Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), compliance to ABB list of Restricted and Prohibited Substances directive; HSE policy and training programmes, compliance to internal and external certification to ensure their HSE competencies prior to commencement of work, Personal Protection Equipment requirement, certification of safety tools, compliance with all the governmental regulations, energy conservation and Carbon footprint initiatives, etc.



	Extremely high	High	Medium	Low	De-sourced
Initial risk	142	90	48	9	-
Current risk	33	27	23	186	20

Stakeholder engagement

Sustainability performance forms an important basis for the Company's dialogue with its stakeholders. The Company dynamically engages with its varied stakeholders to create an inclusive business environment seeking their inputs constantly. The following are the key identified stakeholders of the Company:

Stakeholder group	Key identified stakeholders	Details of stakeholder interactions
Internal stakeholders	Permanent employees	Various employee welfare programs, ongoing wellness & engagement HSE
	Contract employees	and sustainability programs, and awareness cum training sessions, Internal communication
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
	Contractors	Providing materials, labor, service, job work wherever required, contractor safety meets
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.

The Company interacts with several of its stakeholders through a structure well formulated and adapted stakeholder engagement process. It has continuous planned dialogue with various central and state government bodies with regards to policy and presentation on the Company's innovative sustainable solutions such as hybrid switchgear, distribution sector with respect to smart metering, reducing transmission and distribution losses, electric vehicle charging, energy efficiency, efficiency upgradation in the railways sector, and renewable energy.

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. Contractor safety meets are done on a continual basis to bring ABB India contractors and vendors in line with ABB's safety requirements and codes of practice. As a listed Company it has a set process for receiving and addressing its investor requests. A total of 208 investor requests were received in the year, all of which have been satisfactorily responded to.

Advocacy, aid and corporate responsibility bodies

ABB Group's principal memberships of organizations and initiatives involving different aspects of sustainability:

- Amnesty International
- Center for Environmental Assessment of Product and Material (CPM)
- Global Reporting Initiative
- Institute for Human Rights and Business
- International Committee of the Red Cross
- International Institute for Management Development (IMD)
- International Organization for Standardization
- Oikos International
- 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
- · World Wide Fund for nature

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 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 a growing 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 changing 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, also form 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.

In 2017, the Company's human resources consolidated the changes initiated during the previous year and started to benefit from the establishment of a world class Global Business Services and the Centers of Excellence making ABB faster, more agile and customer focused, and consolidating and strengthening its position as a preferred employer in a rapidly evolving market.

Learning and development, and training

The Company's learning and development (L&D) function focuses on leadership and professional development programs. The Company's L&D team is responsible for the implementation of Global Training Programs such as ABB Life, Manager Development Program (MDP), Management Essentials Program (MEP), Middle Management Program (MMP). L&D Partners are aligned to various divisions to enable effective partnering with the business and provide customised learning solutions. On the other hand, while the Leadership Development and 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

The Company enables personal growth and development by offering open dialogue, having regular performance and development reviews including structured feedback, knowledge transfer and opportunities for multidirectional career steps, such as working on different projects, moving between various businesses or rotating among functions or geographies. The Company encourages its employees to progress within the organization as opportunities arise. Employees use career guide in their own career planning and the Human Resources function of the Company provides strong support to employees and managers in creating long term employee career plans. The Company's Human Resources have a strong talent management process as well to encourage and provide career development opportunities for promising employees.

The Company has a benchmark Higher Education Sponsorship Policy that supports its employees in building up technical competencies in emerging and new technology areas that are relevant to its businesses. More than 25 employees have been sponsored by the Company, many of them pursuing research programs leading to Masters and doctoral degrees from premier institutes like the Indian Institute of Technology (IITs) and National Institutes of Technology (NIT).

The Company for many years now has collaborated with academia to promote research and development partnership and cooperation. The Company's Academic Partnership Program (APP) launched across many leading Indian universities provides a collaborative platform for young, bright, talented students and research scholars to address complex industrial problems with innovative ideas and cutting-edge technologies in the areas of energy efficiency, renewables, energy storage, robotics, industrial, data analytics, smart services and automation for utility, industry, infrastructure and transportation. The Company supports more than 25 university collaboration projects, involving 12 doctoral and 17 masters students. The Company also provides internship opportunity for final year Bachelor of Technology students to gain industry experience, ranging from 3 months to 1 year. Every year, more than 100 students benefit from this program.

The Company also sponsors various technical, skill development projects through CSR contributions for the benefit of the community. Significant academic projects under the CSR are related to rural electrification, energy storage, renewables and microgrids, multi-physics modeling & simulation center. Many students take part in these projects as a part of their academic requirements and gain experience in solving real-world problems. In recognition of the Company's leadership in technology and innovation, processes and infrastructure for hightech R&D, partnership with academics, the Company during the year has been awarded, the 2017 ISGF Innovation Award, and 2017 Zinnov Award – Great Place to Innovate.

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 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

_	Key Human Resource data of the Company for the year	2017
1	Permanent employees of the Company	5,590
2	New employees added to the Company	507
3	Apprentice / Interns / Trainees	1,158
4	Total number of employees hired on contractual basis	319
5	Number of women permanent employees	326
6	Number of permanent employees with disabilities	17
7	Is there a recognized employee association	Yes
8	Percentage of permanent employees who are members of the recognized association	17.87%
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Respecting and promoting human rights

The ABB Group recognizes that respect for human rights is a material issue and that failure to do so can cause harm to people and adversely affect business, with potential legal, financial and reputational consequences. The Company has had its Human Rights Policy in place since 2007. The policy 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. A global awareness-raising program for all 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.

There were a series of Human Rights training imparted by ABB Group experts to raise awareness on Human Rights and also to appraise the Company's employees on the system that it has to identify and mitigate Human Rights violation. 34 selected members from the Company were trained on Human Rights touching 85 hours of trainings. In this reporting period, there have not been any grievances related to Human Rights.

Integrity, transparency and accountability

The Company is committed to a high standard of integrity which is expected of every employee and from everyone with whom the Company does business with. With hard work and a clear commitment from ABB's Group's top management at headquarters and across regions and divisions, the ABB Group has seen the positive impact that a robust compliance and integrity program and a strong culture of integrity that can have on the long-term success and sustainability of the Company.

The ABB Code of Conduct is the framework that explains the behavior, ABB expects of every employee and Stakeholders who work with the Company. The ABB Code of Conduct provides a framework to put business principles into practice with utmost integrity. The failure to report a violation or suspected violation by employees of refusal to cooperate with the investigation of a suspected violation is a breach of the ABB Code of Conduct. Each employee of the Company is responsible for ensuring that his or her conduct and the conduct of anyone reporting to the employee fully comply with all applicable laws and the ABB Code of Conduct.

The ABB Group has also 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.

As a part of the ABB Group integrity program employees of the Company are not just encouraged but are required to speak up and to report any suspected or observed violations of the law, the ABB Code of Conduct, or if they are asked to do something that might be a violation. They are to report on any of their concerns initially to their direct management, country integrity officer, country human resources manager, ombudsperson, alternatively, through country specific business ethics hotline numbers and e-mail which is routed to the Company's Chief Integrity Officer (CIO). The Company's CIO along with the integrity team then work towards investigation, and resolution of issues reported there in.

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 the Company 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 also ensures continuous compliance with competition and antitrust laws. The ABB Code of Conduct requires the Company to compete fairly, safeguard confidential information and be mindful of antitrust risks. The Company's behavior within its teams, with customers, other business partners and in the communities where we operate, are guided by its business principles – respect, responsibility and determination – in compliance with antitrust requirements. The Anti-Trust Guidance Notes aim to address practical business situations and provide rules and guidance for all ABB employees on how to conduct themselves in order to comply with antitrust requirements.

The Company also 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 and 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 constituted 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

Community engagement

The ABB's Group's Social Policy was adopted in February 2001. 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 and draws principally on six sources:

- 1. The Universal Declaration of Human Rights,
- 2. The UN Guiding Principles on Business and Human Rights,
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work,
- 4. The OECD Guidelines for Multinational Enterprises,
- 5. The Global Sullivan Principles and
- 6. The Social Accountability 8000 (SA 8000) standard

The Company is committed to social development and works towards contributing for the social betterment of the community in and around its factories. The Company has its Corporate Social Responsibility (CSR) policy and framework for action along with clear focal areas against which all community engagement projects are taken up. In line with its set CSR Policy the Company undertook several community development programs during the year, some of them are a continuation of commitments and project taken up last year and some others were identified and contributed to during the year.

Programs of the Company were effected through direct implementation by the Company and also through the Company's Foundation. The Company partners with institutionalized, verified, partners who have the relevant expertise and experience in the focus area to undertake its CSR programs. A total of Rs. 948 lakhs was spent by the Company on CSR activities as stipulated under Schedule VII of the Companies Act, 2013.

Some of the key projects were providing mid-day meals to identified Government schools, contributions towards establishment of simulation center of expertise at an recognized R&D and Government training institute, partnership with premium research organization in the field of community microgrid and renewable energy storage research, providing for operational costs and special needs of school for children with disability, program of running mobile science education to Government school children, education and skill development with focus on the girl child and women in Gujarat.

Customer engagement

The Company values and respects its customers, and strives to meet and exceed their expectations. As a pioneering technology leader, the Company 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 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.

The country NPS surveys are held once in two years. The last survey was held in 2016 and the next will be in 2018. At the same time, the Company is starting a new phase in its NPS program with the introduction of transactional surveys. As transactional feedback is considered to be a lead-indicator for overall customer satisfaction, the intention is to continue to raise the bar by responding rapidly and decisively to customer issues as soon as they occur.

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 and satisfaction. The initiative comprises a country-level Contact Center which provides an easy-to-reach contact point for customers and other business partners. 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 is available all working days during working hours and can be accessed via an all-India toll-free telephone number, email, web and live agent chat. The Contact Center does not replace but complements existing channels between a customer and the Company's business units and functions.

The capture and management of customer dissatisfaction is key to building customer relationship and the improvement of its products, systems and service. In terms of addressing customer issues with the Company's products, systems and services, the Company has a set process called the Customer Care Response Process (CCRP). Most of the Company's customers deal with more than one ABB business unit. CCRP channels customer care topics and improves customer satisfaction by providing a single ABB-wide common process and tool. It captures, documents and ensures resolution in a timely and qualitative manner of any kind of customer dissatisfaction. Customers are also given the opportunity to confirm if they were satisfied with the solution provided and the way it was handled. There was a total of 4,797 complaints received from customers in the year off which 4,233 were resolved.

Links to Policies and Programs

Sustainability:

http://new.abb.com/sustainability

ABB HSE, Security and Sustainability Policy (ABB Group)

http://new.abb.com/sustainability/abb-policy-on-health-safety-environment-security-and-sustainability

HSE Policy (Company):

 $http://new.abb.com/docs/librariesprovider 19/default-document-library/hse-policy-poster_24-x-32-in_v5.\\ pdf?sfvrsn=2$

Social Policy (ABB Group):

http://new.abb.com/sustainability/social-policy

Human Rights Policy & Statement (ABB Group):

http://new.abb.com/sustainability/human-rights-policy-and-statement

Corporate Social Responsibility Policy (Company):

http://new.abb.com/indian-subcontinent/investors/corporate-governance/india-corporate-social-responsibility

Sexual harassment of women at the workplace Policy (Company)

http://new.abb.com/docs/librariesprovider 19/default-document-library/policy-on-sexual-harassment-of-women-atwork place.pdf?sfvrsn=2

Code of Conduct (Company):

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

Supplier Code of Conduct (ABB Group):

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

Corporate Governance (ABB Group):

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

Integrity Program (ABB Group):

http://new.abb.com/about/integrity

Supplier Sustainability Development Program (ABB Group)

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

Business Responsibility Report 2017 (As per Regulation 34 (2) of the Listing Regulations)

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	www.abb.co.in
5.	E-mail id	investor.helpdesk@in.abb.com
6.	Financial Year reported	2017
7.	Sector(s) that the Company is engaged in (industrial activity codewise)	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus - 271 Manufacture of other electrical equipment - 279 Manufacture of electronic components - 261 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)	Switch gear of all types Transformers Electronic control and supply units for variable speed drives for other applications 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):	5, Branch/project offices abroad Bangladesh, Bhutan, Nepal, Sri Lanka and Vietnam
	B Number of National locations:	31 9 Manufacturing locations 22 branch / marketing offices
10.	Markets served by the Company-Local/State/National/International	Asia, Middle East, Africa, Europe and Americas

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	Rs.42.38 Crores
2.	Total Turnover (INR)	Rs.9,496.07 Crores*
3.	Total profit after taxes (INR)	Rs.419.95 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%) for 2017	2.26%
5.	List of activities in which expenditure in 4 above has been incurred	l: Refer CSR report attached to the Directors' Report

^{*} Including excise duty

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%.

SECTION D: BR INFORMATION

- 1. Details of Director/Directors responsible for BR
- (a) Details of Director/Directors responsible for implementation of the BR policy/policies

1.	DIN Number	07362344
2.	Name	Sanjeev Sharma
3.	Designation	Managing Director

(b) Details of the BR Head

No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Vipin Upadhyay
3.	Designation	Country Sustainability Manager
4.	Telephone number	080-22949144
5.	e-mail id	vipin.upadhyay@in.abb.com

2. Principle –wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	Р3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for P1. Environment, Health and Safety Policy P2. Corporate Social Responsibility Policy P3. Sexual Harassment of Women at the Workplace Policy P4. Anti Corruption Policy P5. Whistle Blower Protection Policy P6. ABB Group Social Policy P7. ABB Group Human Rights Policy P8. ABB's Code of Conduct P9. ABB Supplier Code of Conduct	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	A few of the policies have been approved by the Board and other polici d which are ABB Group policies are adopted by the Company.						er policie		
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	/ The Company is having a committee for CSR, Prevention of Se Harassment of Women at the Workplace. For the other policies, Company is having adequate internal control on its implementation					olicies, the			
6.	Indicate the link for the policy to be viewed online?						ks to th docume		any Po	olicies and
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the company have in-house structure to implement the policy/policies.	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes								

(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	Р3	P4	P5	P6	P7	P8	Р9
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	to								
3.	The company does not have financial or manpower resource available for the task	es								
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. The Company has the quarterly reviews scheduled at the Board level
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	

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 208 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.	• •
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

(including transportation)?

Does the company have procedures in place for sustainable sourcing 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 & safety, environment, ethics & 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 souring including transportation. At the time of qualification to become an ABB supplier, the vendor is assessed across sustainability matrix.

> 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 following areas of General management, Working hours, Remuneration, Social benefits, Health and Safety, Environmental protection, Human Rights aspects etc.

> The ABB Group directive specifically for Sourcing for Transport & 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 Restricted and Prohibited Substances for supplier qualification.

- (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.
- 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 The Company has analyzed the identified the most common issues of its capability of local and small vendors?

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 Bangalore, Nashik, and Vadodara for its suppliers. Internal Company's documents & training materials on best practices has been made available to suppliers to expedite their learnings.

Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste >10%. The Company has stringent waste management practices for (separately as <5%, 5-10%, >10%). Also, provide details thereof, in internally generated wastes; covered in the Company's HSE policy. about 50 words or so.

Yes.

- Please indicate the Total number of employees. 1.
- Permanent employees: 5590
- Please indicate the Total number of employees hired on 2. temporary/contractual/casual basis.
- New employees added in the year: 507 Apprentice / Interns / Trainees: 1158 Contract employees: 319
- 3. Please indicate the Number of permanent women employees.
- 4. Please indicate the Number of permanent employees with disabilities 17
- 5. Do you have an employee association that is recognized by Yes management.
- 6. What percentage of your permanent employees is members 17.87% of this recognized employee association?
- Please indicate the Number of complaints relating to child labour, Nil 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 file	d during the financial	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?		•	asis. employees underwent safety related training and
	(a) Permanent Employees		skiii apgradation.	
	(b) Permanent Women Employees		HSE training hours wa	as 4.04 hours / employee
	(c) Casual/Temporary/Contractual Employees		depending on the wor on their job risk pro	nployees are subjected to skill based training k and job roles. Training matrix is designed based files. As and when required, refresher trainings ade skills based on any changes in the work/ job .
	(d) Employees with Disabilities		Training on various a with disabilities	spects are given to employees including persons
	Principle 4			
1.	Has the company mapped its internal and external stakeholders? Yes/No		Yes	
2.	Out of the above, has the company identified vulnerable & marginalized stakeholders.	d the disadvantaged,	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	
	Principle 5			
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?			all – Group, Joint Ventures, Suppliers, Contractors,
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?		Nil	
	Principle 6			
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.			all – Group, Joint Ventures, Suppliers, Contractors,
2.	Does the company have strategies/ initiative nvironmental issues such as climate change, Y/N. If yes, please give hyperlink for webpage	global warming, etc?		/betterworld/how-abb-technology-mitigates-
			http://search.abb.com	imate change statement : n/library/Download.aspx?DocumentID=9AKK106 ode=en&DocumentPartId=&Action=Launch
3.	Does the company identify and assess porisks? Y/N	tential environmental	Yes	
4.	Does the company have any project related t Mechanism? If so, provide details thereof, in a Also, if Yes, whether any environmental compli	about 50 words or so.	No	
5.	Has the company undertaken any other in technology, energy efficiency, renewable energhease give hyperlink for web page etc.			sustainability/environment/energy-and-climate
6.	Are the Emissions/Waste generated by the permissible limits given by CPCB/SPCB for the reported?		Yes	
7.	Number of show cause/ legal notices received which are pending (i.e. not resolved to satisfinancial year.		Nil	
	Principle 7			
1.	Is your company a member of any trade and ch If Yes, Name only those major ones that your b		Yes	
			(d) Swiss Chamber of	sociation (IEEMA) nataka Chambers of Commerce and Industry

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
	Principle 8	
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. The Company has undertaken needs assessment prior to its proposed larger community intervention and would carry our impact assessment after a few years of our continuous intervention in the community.
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 amount spent on CSR activities by the Company was Rs.948 Lakhs against a budget of Rs. 933 Lakhs as stipulated under Schedule VII of the Companies Act, 2013. Details are part of the CSR report
5.		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.
	Principle 9	
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	0.8%
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.	Nil
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes.