

# Business Responsibility Report 2019

## Sustainability across the business

The Company contributes to a sustainable world by its very products and services. Its sustainable contributions are across several areas including smart cities, sustainable mobility solutions, bringing in automation and energy efficiency in core manufacturing and utility sectors thus aiding the country's sustainability journey. The Company's in-house sustainability efforts are in terms of sustainable production processes and practices across its operations.

During the year, the Company was associated with major projects of nation building while also providing technology solutions to various industrial sectors. The Company's state of the art mega synchronous motors, drives, control relay panels, switchgears and breakers drive the world's largest, single location lift irrigation project in Telangana namely Kaleshwaram, which will improve water availability for farmlands and bring clean water to millions. The Company's building automation solutions, that converts buildings and living spaces into intelligent, connected, energy optimized facilities are now powering one of the country's biggest hospitality chain properties in New Delhi, Kolkata and Amritsar.

In the mobility segment the Company's traction technology was provided to new age locomotives of the Indian railways. The Company's electrification panels and Gas Insulated Switchgears have ensured consistent power distribution to Nagpur and Mumbai metros. To ensure reliable supply of power to critical installation like airports, the Company's TruOne® automatic transfer switches (ATS) ensures starting of backup generator, load switching and then reversing to original process, all is done seamlessly, and these have been put in place at Mangalore and Bengaluru airports in the country. The Company also innovated on chargers for Jaguar I-Pace electric racing chargers to enable smoother journey across multiple e-racing locations around the world.

The Company's drives and smart sensors ensure optimized energy requirements from leading Indian food chains to major steel and power plants. The Company's remote condition monitoring of electrification panels was deployed at the country's tyre manufacturing giant to enhance productivity and minimize downtime. A range of Company's automation, supervisory control and data acquisition (SCADA) systems along with blending and instrumentation applications are being provided to Oil and Gas sectors in the country. During the year, application

of robotics was expanded to take productivity to the next level for FMCG majors and machine automation companies. The Company is a partner of choice for Indian and Japanese Original Equipment Manufacturers (OEMs) and has also maintained leadership position in automation solutions for 2-wheeler customers.

The Company's technology plays a significant role in smart cities of the future to make power distribution more efficient in cities like Ranchi and Ujjain and powered key routes of tourist interest like Vaishnodevi in Jammu and Kashmir with compact power substations. The Company's gas monitoring solutions were installed in cities like Mumbai and Bengaluru and ensured optimized usage of cleaner fuel. The Company is also contributing to building a smart city in the campus of a premium technology institute as a CSR project.

Sustainability considerations are embedded into the Company's daily business at every stage from product design, to manufacturing, packaging, end of life and product management including vendor assessments. The Health Safety Environment and Sustainability Affairs (HSE/SA) function of the Company guides the strategic direction and delivers effective, efficient services that embed occupational health, safety, environment, security and corporate responsibility and sustainable business practices of the Company. Qualified and experienced HSE/SA professionals at the business level anchor relevant HSE practices alongside programs that are anchored centrally at the corporate level and at the ABB Group level.

To realize global leadership in Sustainability performance, the ABB Group has created a robust and comprehensive HSE/SA management system based on internationally recognized sustainability standards, principles and commitments including ISO 45001 and ISO 14001 called the ABB Way. This system has been initiated to have a common approach leading to increased knowledge and awareness, align businesses to common goals, vocabulary, standards and measurement processes, improve performance in all the functional areas of HSE/SA, drive standardization and efficiencies, avoid duplication of efforts and increase effectiveness of third-party certifications. This system sets clear expectations and the required minimum standards, which is being implemented and embedded into ABB operations across the world including activities of the Company and incorporates an extensive global audit assurance program. This unified management system was rolled out during the year and the target is for the Company to be aligned to the new system by 2020.

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<sup>3</sup>, the Company's Health, Safety & Environment Policy (HSE)<sup>4</sup>, ABB Group HSE, Security and Sustainability Policy<sup>5</sup> and the Company's Corporate Social Responsibility (CSR)<sup>6</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 on vendors.

## Sustainability objectives and targets

A series of business-relevant sustainability objectives, in consultation with leaders in the business, countries and functions and external stakeholders have been developed by the ABB Group. There are nine objectives currently that reflect the Company's levels of ambition and show how the Company intends to contribute to a more sustainable world. Individual Business relevant targets and key performance indicators are further being developed and rolled out in the Company and across its businesses. The nine sustainability objectives against which performance is monitored and reported:

1. Products and services for a better world
2. Energy efficiency and climate change
3. Safe and secure operations
4. Integrity
5. Human rights
6. People and society
7. Responsible sourcing
8. Resource efficiency
9. Right materials

Progress against the set targets are constantly monitored through internal systems and process along with online reporting channels. Performance is being reported externally in the ABB annual Group Sustainability Report<sup>7</sup> which is consolidated as per GRI guidelines. The Company publishes the Business Responsibility Report (BRR)<sup>8</sup> a per SEBI's requirement for disclosure on key sustainability indicators.

At the Company, Country Sustainability Boards have been established to uphold good sustainability governance and assure compliance with local legislations and ABB Group standards and customer expectations. The Company Boards also discuss review and monitor every quarter on key sustainability performance indicators and decide on action plan if any to achieve the same.

## Stakeholder engagement

The Company constantly endeavors to be in dialogue with its key stakeholders through various channels. In recent years, the ABB Group has been carrying out surveys with stakeholders that impact the Company's sustainability strategy and priorities. During the year the ABB Group ran the employee survey seeking inputs from its internal yet important stakeholder on all aspects of the Company's performance.

The Company has consultations with both external and internal stakeholders in a structured and planned way; to seek inputs towards developing the ABB Group Sustainability Objectives for 2014 - 2020. A comprehensive dialogue process was initiated during the year wherein the Company's Business teams ran formalized structured consultations with their identified critical stakeholder across businesses to seek invaluable insights and feedback. The feedback and inputs thus received is being consolidated at the Businesses and at the ABB Group level and this will enable to revisit the materiality matrix as well as in developing the next level 2030 sustainability objectives.

The following are the key identified stakeholders of the Company:

Business	Government	Civil society
Customers	Government and regulators	International organizations
Suppliers	Legislators and the law	Local communities
Investors	Trade bodies	Academia and scientific community
Employees		Media
Competitors		NGOs and civil society organizations Trade unions

The Company in the year had several interactions with state and central ministries like Minister of Electronics & Communications, Niti Ayog, Railway Ministry and had detailed interactions with these stakeholders and highlighted capabilities and products such as high efficiency turbocharger, SCADA, HVDC, Smart Cities projects, solar large green corridors. These interactions further enabled to project the Company's' competencies and capabilities across domains as well as to seek stakeholder feedback on sustainability agenda being addressed by the Company

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

<sup>2</sup> <http://new.abb.com/sustainability/human-rights-policy-and-statement>

<sup>3</sup> <http://new.abb.com/about/supplying/code-of-conduct>

<sup>4</sup> [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)

<sup>5</sup> <https://new.abb.com/sustainability/abb-policy-on-health-safety-environment-security-and-sustainability>

<sup>6</sup> <http://new.abb.com/indian-subcontinent/investors/corporate-governance/india-corporate-social-responsibility>

<sup>7</sup> <http://www.sustainabilityreport2019.abb.com>

<sup>8</sup> <http://search.abb.com/library/Download.aspx?DocumentID=9AKK107492A2404&LanguageCode=en&DocumentPartId=&Action=Launch>

## Safe working environment

The Company has been working to build a strong sustainable model on safety in a diverse workforce environment to bring in an effective impact on the overall safety culture. Safety focus is at all levels of the Company through “walk the talk” and multi-level continuous employee engagement. Visible leadership by leading by example, has made effective impact in the overall safety culture of the Company. The ABB engagement survey for its employees reconfirmed the priority and received very high scores on the fundamentals which included safety, integrity, pride and purpose. Safety was a priority and received a 94% from responses received.

Several customized methods and tools that has been implemented along with awareness programs and putting in place an effective monitoring mechanism to ensure momentum in continual improvement in safety aspects in the Company. Country level and business level steering committees monitor progress in safety systems and to reduce lead time in decision making. The Company's sustainability Board meetings are conducted quarterly which emphasis accountability at various businesses and monitors deliverables at business lines. The Company continued with its practice of digital monitoring of daily safety compliance at project sites and factories. A customized tool was rolled out to support online our service engineers for safety compliance

Safeguarding the Company's employees and contractors is a prime area of focus for the Company. The Company focused on developing people skills, knowledge and resources to equip its personnel with the right safety behavior. This year, apart from certifying its employees on safety, the Company's continued its trainings focused on behavioral and job specific aspects such as, Safety Master Class and Safestart® targeted at all shop floor workers. The Company's nominated HSE managers underwent specific trainings and certification programs such as The Institution of Occupational Safety and Health (IOSH), Person In Charge of work (PICW) including human factors for site and project managers. Relevant job specific trainings such as electrical safety, work at height, road safety, contractor management trainings were also imparted. Special focus on all relevant trainings for contractors and service personnel were rendered by the Company. The Company clocked around 15.56 HSE training hours per employee during the year.

The Company received a total of 21876 hazards during the year and 98.05% of the reported hazards were resolved during the year. Comprehensive Sustainability Observations Tours were promoted that includes observations on safety, health, environment and security. A total of 4073 Sustainability Observations Tours (SOTs) were conducted during the year across the Company.

The Company had a total of 9.5 million contractor man-hours and 10.6 million employee man-hours worked, with

2 serious injuries, 2 lost time injury and 7 medical treatment injuries, 2 restricted workday cases and 93 first aid incidents and 131 near misses.

The Company continued with the HSE awards program for the year to recognize and encourage employees and contractors who have made innovative solutions to reduce risk of work-related injury and to showcase their best safety practices. An innovative incentivized system – “Safety tree” for improving project safety continued to be followed during the year where in no incident months were celebrated with rewards for the entire project and contractor team.

## Health and wellbeing

Workplace wellbeing and health promotion is another key aspect that the Company drives. There are several initiatives by the Company to address wellbeing both physical and mental. Initiatives are around four main pillars namely – physical health (that includes fitness and nutrition), ‘smoke free’ environment, resilience and mental health,

The Company also witnessed a large set of its employees nearly 88% who participated in a Global Health Challenge campaign to increase their physical exercise and fitness levels. The Company provided facility for its employee to undergo a comprehensive medical examination at a list of its registered hospitals across the country.

The Company has a no smoking policy at its premises and also trained its doctors on special counselling methods to address, smoking/nicotine addiction for employee if the employee voluntarily requires support and wishes to join deaddiction program of the Company.

Resilience training to create awareness on stress and the methods to manage it has been a program continued to be of focus for and regular sessions have been conducted to cover all employees of the Company. Under mental health, the Company launched the Employee Assistance Program where in the Company's employees and their immediate family members were provided with the service of counselling facility, in complete confidentiality on aspects such as emotional, practical or physical needs.

## Taking care of the environment

Environmental responsibility for ensuring environmental conservation and management is a key focus for the Company. For environmental issues identified as material to ABB operations, the ABB Group has put in place enterprise-wide policies and programs to reduce energy, water and materials use, maximize waste recycling, eliminate hazardous materials and streamline logistics and packaging. The principles of environmental risk reduction and continuous improvement are also reflected in the Company's approach to product development.

Currently at the global level, 57 percent of ABB's revenue are from eco-efficiency portfolio. With an objective to meet the Sustainable Development Goals (SDGs) to ensure access to affordable, reliable, sustainable and modern energy for all, the Company is focused on solutions that aid this and is working towards transitioning to a decarbonized energy system that is connected, digital, smart and distributed. ABB enables its customers in the utilities, industry, and transport & infrastructure sectors to conserve resources and become more sustainable and efficient. When designing eco-efficient and recyclable products we conduct Life Cycle Assessments (LCA)-comprehensive evaluations that encompass long-term environmental consequences.

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 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 HVDC light generators, 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 non-renewable resources in each one of the phases.

## Energy and Climate Change

The Company is taking action to reduce its energy consumption and greenhouse gas emissions and to pursue low carbon forms of energy at its plants, offices and along the value chain. As part of the ABB Group-wide sustainability objective, the aim is to progressively increase the efficiency of operations, the ABB Group has targets to reduce the greenhouse gas emissions of business by 40 percent by 2020 from a 2013 baseline.

To minimize energy consumption, the Company has taken several initiatives to access opportunities and has taken action to pursue "green" electricity sources for the Company's select facilities. The Company has also installed on-site photovoltaic (PV) power plants to reduce environmental impacts and demonstrate ABB's solar capabilities. Green power purchase and in-house solar installations has resulted in the avoidance of 4872 tons of CO<sub>2</sub>. Out of the total energy consumption of 25965 MWh, the Company's grid electricity consumption was 22718 MWh of which 26% is via green power purchase. Various ongoing energy reduction initiatives such as energy efficiency improvements in lighting, use of energy efficient motors are being implemented thus reducing the greenhouse gas emissions of the business.

The Company's compliance aspects to statutory requirements related to HSE is addressed under direct supervision of plant heads. An online tool for compliance tracking is used to ensure statutory compliance across factories. Periodic monitoring is carried out and necessary mitigation actions are undertaken to ensure compliance to all requirements. There was one pending show cause notice from the State Pollution Control Board for the year which is being resolved. However, there were no monetary fines/ penalties for environmental non compliances paid by the Company during the year.

All of the Company's facilities have been certified to ISO management systems namely ISO 14001:2004. The Company's facilities are in the process of transitioning to ISO 45001: 2018. Individual certification systems are also being aligned to a unified system going forward as per the ABB Group initiative

## Water management

Water as a resource is very scarce in the country and the Company is committed to reducing its impact on local water resources wherever possible even if majority of the Company's manufacturing processes do not consume significant amounts of water. Water consumption is predominantly for domestic and landscaping uses.

The Company is working towards becoming a responsible stewards of water conservation and taking steps to move towards water neutrality. Water withdrawal in the year was 0.17 millionm<sup>3</sup> at the Company's manufacturing facilities. Water withdrawal has reduced by 8% from last year. Several efforts are underway to reduce freshwater withdrawals, include water efficient fixtures in buildings, closed loop systems for the cooling systems and industrial processes. In-house Sewage Treatment Plants (STP) aid in the Company's recycling efforts. Water treated in STP's is used for irrigation of gardens and for sanitation purposes and this amounts to about 27% of the total water consumption for the year.

## Waste management

Waste recycle, reuse and reducing the footprint of the waste disposed is a key indicator. The Company recycles waste wherever possible and reduces waste generation which is sent for its final disposal. Source segregation of waste, in-house recycling of packaging materials and reuse continues to add more value to waste and reduces the quantum of non-recyclable wastes that are sent to landfill. All the waste is disposed through authorized approved vendors.

Of the total wastes disposed this year, 87% were recycled through authorized recyclers. There were several initiatives to address waste recycling and introduction of different methods that would move away from single use



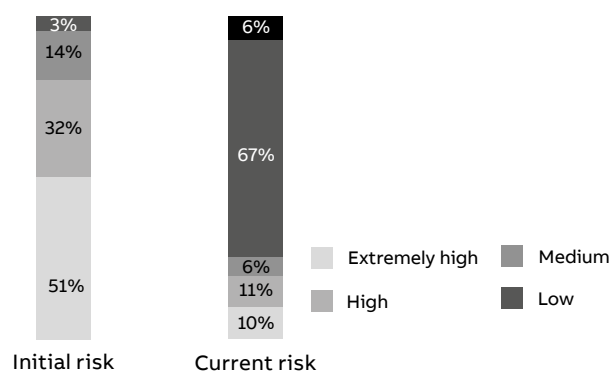
plastics, improve waste recyclability. For e.g. an initiative was taken by our Nashik factory to use corrugated box instead of wood for packaging.

## Sustainability across the Company's Supply chain

ABB is fully committed to ensure a responsible working environment for its own factories and its suppliers. At the policy level the Company has the ABB Supplier Code of Conduct (SCoC) which highlights the expectations from the suppliers in the areas of human rights, fair labor conditions, business ethics, health & safety, environment & material compliance etc. The Supplier Code of Conduct<sup>9</sup> defines requirements for ABB suppliers and is integrated with the General Terms & Conditions. The Company considers its suppliers as business partners and requires that they conduct their business consistent with the standards and principles of the Company. Complying with the applicable environmental and OHS regulations, internationally proclaimed human rights standards and ensuring equality of opportunity are expected as the minimum level of commitment.

To ensure that the tenets mentioned in the SCoC are met the Company has designed procedures, which guide day to day activities of supply chain teams. The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The objective 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. In the scope of this program, the Company prioritize a group of suppliers based on geographical risk, commodity risk, spend volume and business criticality in each year. Once supplier nominations are finalized, the company share a set of documents with them and arrange pre-assessment training. The purpose of these training is to explain the minimum requirements from the supplier during this program. Post training, onsite assessments are being done on 42 parameters related to general management, labor rights, social benefits, health & safety and environment. Depending on the severity of findings, closure timeline may vary, and suppliers are asked to close all the points by then. Technical supports and additional trainings are being provided to these suppliers wherever they need. Progress is being tracked through regular interactions with them. All suppliers were revisited to ensure that the identified risks were closed other than the cases which require only few documentary evidences for closure. Additionally, the suppliers also have access to the ABB Supplier Sustainability Implementation Guide, which provides practical advice on how to meet the requirements of the ABB Supplier Code of Conduct.

In India, 24<sup>10</sup> suppliers have been trained on sustainability requirements. 25 suppliers were assessed for such requirements during 2019. The program helped the participating suppliers identify, 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 2019, before and after corrective actions under the SSDP). In 2019, three 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.



	Extremely High	High	Medium	Low	De-sourced
Initial risk	51%	32%	14%	3%	
Current risk	10%	11%	6%	67%	6%

As a part of internal capacity building, the Company has launched another batch of internal certified lead assessor program in 2019 jointly with a 3<sup>rd</sup> party agency. Also did a recertification program for its internal lead assessors jointly with the 3rd party agency. Three ABB employees renewed their sustainability auditor certificates. Having employees who can conduct and evaluate sustainability performance of the suppliers will further embed the sustainability practices in sourcing activities.

## Advocacy, aid and corporate responsibility bodies

The Company is a member of a of the following industry associations:

- 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

<sup>9</sup> ABB supplier code of conduct

<sup>10</sup> Trainings-2019Q4 IN SSDP KPI Report

## People well-being

The Company's human resource function continued to help the Company achieve its strategic mission, while ensuring that the employees remained engaged and motivated, amidst the global transformation efforts. People strategy remained aligned with the Company's overall ambition to be a pioneering technology leader while ensuring that employees stay focused in the marketplace and continue to delight customers with exceptional product and service delivery.

Leading a large-scale agile transformation is not only about adopting a new set of attitudes, processes, and behaviors at the team level, but it is about helping the Company deliver faster to market, and developing the ability to respond to a rapidly-changing competitive landscape but is also about achieving business agility which in turn comes from people having clarity of purpose, a willingness to be held accountable, and the ability to achieve measurable outcomes. The Company's transformation effort in the year was aimed to bring this focus to the organisation. The Company ensured that the transformation was carried out with razor sharp focus on the objectives and with high degree of collaboration across local and global business units and functions. The Company has successfully demerged erstwhile Power Grid division into a new company in India as ABB Power Products and Systems India Ltd (APPSIL). It is now run by an independent management and board. The ABB Group Operating System (OS) transformation was also completed in the year with businesses having end to end responsibility and resources thus positioning the Company to be more competitive and responsive in the market and help grow at a much rapid pace.

During the year, the Company has consistently set a clear path to learn and adapt to perform better in the changing market situation. The human resources team of the Company strategy supported this with its focus on enhanced performance orientation, a comprehensive talent strategy to hire, engage and develop talent and enabling a culture that fostered collaboration, risk taking and above all a culture that is value based. There were multiple interventions focused on developing world class leaders. Apart from various global leadership programme and soft skills development programs, new initiatives were launched for grooming high potential talent and developing exceptional women leaders within organization.

The Company continued to drive more transparency and communication around people policies. During the year the reward and recognition program (Trailblazer) helped celebrate exceptional performance as well as recognize behaviors that are in line with the Company's values. The Company continued to focus on developing a culture in which people are empowered and motivated to deliver sustainable high performance. This was further enabled through a sharper performance differentiation. Multiple initiatives were also launched to establish the EVP so that we can continue to attract top talent.

Through the year the Company continued to engage with the workforce to build a strong work culture based on values and principles, even if it meant taking some tough decisions. The Company signed multiple forward-looking long-term wage settlements across its manufacturing locations, that will ensure win-win for the employees as well as for the Company. There has been continued effort to enhance workforce and supervisory leadership capability to build positive shop floor discipline. Multiple engagement initiatives are further helping build strong connect with the workforce. During the year, ABB Group globally has introduced the engagement survey to help develop a culture of collaboration, open feedback and dialogue. The Company firmly believes that engaged workforce, over time, delivers better results. All the above efforts were validated as the Company received an overall positive employee engagement score of 75 which is higher than the benchmark for comparable companies as well as the ABB Group score. Positive scores were received on the areas of integrity, safety, pride, role clarity, customer focus and purpose.

## Learning and development

As a Learning and Development community, the Company's vision is to become a world-class learning organization known for developing world-class leaders and mission is to strengthen ABB's ability to achieve goals by developing exceptional leaders. The Company offers Global Leadership Programs (GLP) and Soft Skills Development (SSD) programs. The GLP is targeted towards leadership skills, for developing a high performing team, building relationships, integrating leadership and management, building collaborative culture and driving innovative change. Hi-potentials, first line managers, middle managers, senior leaders and executive leaders are part of these programs. SSD programs are catered to all permanent employees of the Company which covers the scope of all the soft skills training required to do the job in a better way.

During the year the Company introduced new initiatives like LEAD and RISE. LEAD program was extensively focused on grooming hi potential talents to reach their next level and RISE targeted on women leadership. In the year the Company had an average of 18 calendared programs that were scheduled and delivered every month with an approx. 25780 hours YTD. Organizational Development (OD) interventions like Building Connect, Building Resilience (Change Management) and Mentoring, were customized and catered as per business needs. There were several training programmes for employees and the average trainings hours per employee. The Company has covered 1.5 person days of L&D training around 12 hours per employee.

## 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 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 team have a strong talent management process as well to encourage and provide career development opportunities for promising employees. This year the company launched a potential development programme aimed at creating a structured development path for employees identified as exceptional performers. There was also a renewed focus on ensuring that employees across divisions are considered as successors for positions across the Company. Positions closed through internal movements went up significantly this year. Existing employees were considered first for the new business units that came up this year. Development of leaders and professionals continues to be a priority for the Company.

S.N	Key human resource data of the Company for the year*	2019
1	Total number of permanent employees	3299
2	New employees added to the Company in 2019	325
3	Apprentice / Interns / Trainees	721
4	Total number of employees hired on contractual basis	112
5	Of these how many were women	216
6	Number of permanent employees with disabilities	6
7	Recognized employee association	Yes
8	Percentage of permanent employees who are members of the recognized association	11.94%

\*Note the above data is based on only ABB India Limited (minus the PG carve out) for the entire year: Jan- Dec 2019

## Diversity and inclusion

As a global pioneer with a 130-year history, ABB strives to create an environment that brings the power of diversity to life; where people with different backgrounds and experiences thrive in both their professional and personal lives. The Company welcomes different ways of thinking and acting, different qualities and skills, different experiences and backgrounds and values them because it is dedicated to being inclusive, recognizing and respecting all aspects of difference.

There was continued focus on creating a more diverse and inclusive (D&I) workplace, where individual differences are appreciated and where we all unite to write the future together. Through the year multiple initiatives were launched to strengthen the D&I agenda. This included

launching the work from home policy, development program focused on women leaders, learning intervention in enabling teams to deal with their unconscious bias etc. D&I initiatives were anchored into the organisation through D&I councils that owned and drove the agenda for each business unit.

During the year, the Company had 21% lateral female recruits, 48% female university hires. As a result, the diversity representation increased from 9 percent in 2017 to 11.4 percent in 2019. The Company also introduced a 'Re-board' program for facilitating hiring former women employees back into the Company. To prepare leaders for tomorrow who are inclusive, several training programs on Interrupting Unconscious Bias, Women Leadership Development Program (RISE) were launched by the Company. Trailblazer Award for Diversity at workplace was also announced to recognize and acknowledge individuals, teams that passionately drive diversity within the Company's workspace.

The Company was recognized as an "2019 Exemplar of Inclusion" in the Most Inclusive Companies in India (MICI) Index and "Top 100 Best Companies for Women in India" by Working Mother & AVATR The Power of Diversity in 2019 for all the initiatives around the D&I journey.

## 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 abides and follows the ABB Group Human Rights policy and statement. The policy draws on the Universal Declaration of human rights, the International Labour Organization (ILO) core conventions on labor standards, United Nations Global Compact (UNGC), The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the Social Accountability (SA) 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. Raising awareness of human rights is one of ABB's nine Sustainability Objectives for 2014-2020. The United Nations (UN) guiding principles are central to ABB's human rights training. Everyone who works for the Company, either as a direct employee or

indirectly through the Company's supply chain, is expected to behave with respect for the dignity of the individual and for the importance of each individual's human rights.

The Company in line with the ABB Group, fully acknowledges the responsibility to abide by the International Bill of Human Rights and is committed to implementing the United Nation's (UN) Guiding Principles on Business and Human Rights. In addition, the ABB Supplier Code of Conduct, the ABB Policy Combating Trafficking in Persons, and the Human Rights Policy emphasize that ABB and the Company does not tolerate modern slavery or human trafficking.

The Company, in line with the Group policy, seeks to raise its standards, and increase its understanding, and mitigation of human rights risk. 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, was imparted by the ABB Group for a network of key persons in the company who handle Human Rights aspects across the Company's operations.

The Company wants to make sure that its business does not negatively impact communities where it works. The Company follows a policy on human rights set by the ABB Group and carries out effective due diligence to understand the risks the Company faces in its operations, the need to report on human rights performance, and having a grievance mechanism in place for external stakeholders who believe their rights have been violated.

## **Integrity, transparency and accountability**

The Company behaves in a responsible and ethical way, and it respects the needs of individuals, society, and the environment. The ABB Group has an Integrity program that uses a systematic approach, designed to foster a culture of Integrity and compliance. The Company's Integrity team is led by Country Integrity Officer supported by a central team in ABB Group for critical integrity related matters. The program works around three areas of Prevent, Detect and Resolve.

The Company in line with the ABB Group has set high standards of integrity and compliance which are expected of every employee of the Company. A culture of integrity and compliance is followed, and this is done through leadership and business accountability, supported by strong tools and processes, and a zero-tolerance policy for violations. The Company is proactive about integrity and compliance through ongoing training, internal surveys and resources such as the Business Ethics Hotline.

The ABB Code of Conduct is the integrity framework set by the ABB Group that explains the behavior the Company expects from its employees and stakeholders. The ABB Code of Conduct is based on the business principles of responsibility, respect and determination and provides practical instructions to help employees in their day-to-day work.

The ABB Group directive with its standards and policies serves as a strong set of internal controls. Bribery and corruption are prohibited in all business dealings, whether with public officials or private sector business partners. As a rule, facilitation payments are not permitted. Mandatory, substance-based due diligence prior to the appointment of ABB representatives, such as third-party agents. Centralized, transparent approval process with appropriate controls over performance prior to any payments. Political and charitable contributions are subject to detailed internal policy and controls. Gifts, entertainment and expenses policy defines thresholds, approval processes and their documentation, with additional controls for public officials. Agreements with subcontractors and consortium partners are aligned with the Company's commitment to integrity in the performance of the contract, including commitments not to violate anti-bribery laws. The Company's suppliers are also required to maintain integrity standards which are satisfactory to the Company and all suppliers are to agree to the ABB Supplier Code of Conduct.

Mandatory compliance due diligence for any joint venture or acquisition target like Mergers and acquisitions is followed. Thorough integration strategy for the ABB integrity program. All current and new employees of the Company are required to take face-to-face and e-learning training, and to acknowledge their commitment to adhere to the Code of Conduct. The Company maintains a regular re-acknowledgement process for the Code of Conduct by managers

The Company adheres to ABB Group 's Antitrust guidance notes, which is designed to address practical business situations and focus on specific topics which could raise antitrust concerns, including:

- Participation in trade association meetings
- Competitive intelligence gathering versus commercially sensitive information exchanges
- Participation in benchmarking exercises
- Pricing strategies

The Company's Anti-Corruption Policy is stated explicitly in the ABB Group directive on bribery and anti-corruption and emphasizes key components that are essential for ensuring strict compliance to anti-bribery laws but also refraining from corruption. 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.

There are several multiple reporting channels available to the Company's employees in case of detecting and reporting on integrity issues. Employees are encouraged to speak up and report integrity and compliance concerns and to seek guidance. All reports received are subject to appropriate investigation, follow up, and brought to full closure; through a systematic process and tracking system and the Company enforces a rigorous non-retaliation policy.



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 ABB Business Ethics Hotline is available for employees to report integrity and compliance concerns or seek guidance. Toll-free calls are taken by an independent provider 24 hours a day, 7 days per week. (To reach ethics hotline, dial the country access code 000-117, when you hear the recorded message, dial the number 800-662-7219, or email to [ethics.contact@ch.abb.com](mailto:ethics.contact@ch.abb.com)). Web-based reporting are also available. Stakeholder hotline for business partners also available (+41 43 317 33 66).

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 that 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 two complaint received by the said committee of the Company in the year where in one case has been substantiated and in the other, inquiry has been initiated and review is in process.

## Community engagement

The ABB's Group has a Social Policy that 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, equal opportunity, harassment and disciplinary practices, working hours, compensation, suppliers, community involvement and business ethics. The policy draws principally on six sources:

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

The Company's commitment for an inclusive world is backed up with its Corporate Social Responsibility (CSR) activities for its communities. The Company invests in programs and projects for community development that are targeted at improving basic education, promoting

energy conservation, access to electricity, basic health care and helping underserved groups gain skills and obtain employment opportunities through skilling and special education. Programs are well defined and are implemented to fulfill the priority needs of the community in line with the Company's set policy. Community programs have the objective of giving back to the society where it is needed the most and areas of education, and women empowerment are close to the ethos of the organization. The Company's CSR programs directly addresses around 10 of the United Nations Sustainable Development Goals (SDG) (as below) augmenting the Country's



progress towards achieving its SDG targets by 2030. Customized projects for the development of communities are undertaken in a systematic way by way of planning and implementation along with monitoring for project effectiveness. Projects are predominantly implemented through identified project partners who are chosen after a rigorous assessment of their expertise and experience in the area along with due diligence verifications. During the year the Company spent its complete allocated CSR budget of 12.45 Crores towards various community development projects across the country. Please refer to Annexure - E of Director's Report for the details of the programs during the year.

## Customer engagement

The Company is a pioneering leader working closely with industry, utilities, transportation and infrastructure customers, offering a unique combination of sector knowledge, technology leadership and digital expertise, to create real business value for the customers together with a superior and differentiated customer experience.

The Company hosted several meets, events and seminars during the year to proactively engage with the customers on the Company's wide array of innovative products and systems, tailored to differing market needs, showcasing groundbreaking digitization and collaboration technologies which enable customers to achieve new levels of flexibility, efficiency and performance, with solutions that are delivered safely, securely and sustainably. ABB prides itself with its range of eco efficient product portfolios as well to offer its customers. Workshops, exhibits, presentations and panel discussions with policy-planners, industry leaders, decision-makers and influencers offered a platform for the exchange of ideas and best practices across diverse business sectors and technology domains, providing an enriching experience to the various stakeholders.

In order to equip engineers, operations & maintenance personnel and other employees of customers with up-to-date technical expertise on existing and new products, processes, and technology advances, the Company conducted several training programs. The training integrated best-in-class demonstrations, custom courseware and in-depth technical proficiency to increase the skill level and knowledge of the customer's workforce, increase their capability to respond quickly and efficiently in any given situation, optimize their operations and make their assets and businesses safer. Training was given at customer sites or in the Company's dedicated state-of-the-art training facilities or online and covered a range of current and futuristic topics on power and automation engineering and digital technologies, encompassing the Company's complete offering and service portfolio. Corporate-wide frame agreements were made or renewed with public and private sector customers for imparting training to their employees.

As part of its relentless fine-tuning of its customer centricity and sharpening of its customer focus, the Company has reinforced its Customer Contact Center setup with a specific mission statement for the Contact Center: Make ABB easier and enjoyable to do business with by reducing customer effort and improving customer experience with ABB. The Contact Center provides an easy-to-reach contact point for those customers and other business partners who do not know where to turn to. It receives inquiries – which can be of any kind for any product, system or service – and routes them to the relevant business lines or functions within the Company for their swift response and resolution. The Contact Center is available on all working days during business hours and can be accessed

via an all-India toll-free telephone number (1800 420 0707), email (contact.center@in.abb.com), web and live-agent chat. The Contact Center does not replace but complements existing channels between a customer and the Company's business lines and functions.

The Company is committed to using input from customers to improve performance and for this purpose it has embedded customer voice as an integral part of the Company's decision-making process. Since 2010, the Company has adopted the Net Promoter Score (NPS) survey to know how the Company is perceived by its customers. Net Promoter is both a loyalty metric and a discipline for using customer feedback to aid sustainable growth of the Company. The customers' response to the "recommend" question and the green card / red card feedback, tell 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 relational NPS surveys are held once in two years. The last survey was held in December 2018; the data from that survey was reviewed during 2019 for analytical insights and direct action by the Company's various business lines, to actively effect the changes that the customers recommended. The next relational survey will be held in 2020. Parallel to the relational NPS survey program, the Company also intensively deployed transactional NPS surveys in 2019, to get touch-point specific feedback for identification of improvement measures. As transactional surveys are a leading indicator of customer loyalty, the intention is to continue to raise the bar by responding rapidly and decisively to real-time customer feedback from the Company's operational customer staff as soon as they occur.

In order to address any customer issues with the Company's offering and service portfolio, the Company has a set process called the Customer Care Response Process (CCRP). Most of the Company's customers deal with more than one business line in the Company. CCRP channels customer care topics and improves customer satisfaction by providing a single Company-wide common process and tool. It captures, documents, performs root cause analysis and ensures resolution of any type of customer dissatisfaction in a timely and qualitative manner. Solutions are implemented quickly, systematically and permanently with the objective of preventing future customer dissatisfaction and continuously enhance customer value. Customers are also given the opportunity to confirm if they are satisfied with the resolution provided and the way it was handled.

# Links to Policies and Programs

**Sustainability:**

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

**ABB Policy on Health, Safety, Environment, Security and Sustainability:**

<https://new.abb.com/sustainability/abb-policy-on-health-safety-environment-security-and-sustainability>

**HSE Policy (Company):**

[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)

**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/librariesprovider19/default-document-library/policy-on-sexual-harassment-of-women-at-workplace.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 2019 (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, Malleswaram West, Bengaluru 560 055
4. Website	<a href="http://new.abb.com/indian-subcontinent">http://new.abb.com/indian-subcontinent</a>
5. E-mail id	investor.helpdesk@in.abb.com
6. Financial Year reported	2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	1. Manufacture of electric motors, generators, and electricity distribution and control apparatus - 271 2. Manufacture of other electrical equipment - 279 3. Manufacture of electronic components - 261 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 2. Electronic control and supply units for variable speed drives for other applications 3. Motors and other machines
9. Total number of locations where business activity is undertaken by the Company	42
A Number of International Locations (provide details of major 5):	1 in Sri Lanka and 2 in Bangladesh
B Number of National locations:	13 Factories 26 Establishments
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)	42.38 Crores
2. Total Turnover (INR)	8,209.90 Crores (including discontinued business)
3. Total profit after taxes (INR)	303.40 Crores (including discontinued business)
4. Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	2.0% (of average net profit for previous three years)
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?	As on December 31, 2019 the Company had no Subsidiary
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	P3	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?	Few of the policies have been approved by the Board and other ABB Group policies are adopted by the Company.								
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, Sexual Harassment of Women at the Workplace. For the other policies, the Company is having adequate internal control on its review and implementation.								
6.	Indicate the link for the policy to be viewed online?	Please refer to the section on 'Links to the Company Policies and Programs' section of the detailed BRR document								
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	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. The Company has the quarterly sustainability 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?	Yes. The Business Responsibility Report (BRR) is published annually. Link to 2018 BRR of the Company: <a href="http://search.abb.com/library/Download.aspx?DocumentID=9AKK107492A2404&amp;LanguageCode=en&amp;DocumentPartId=&amp;Action=Launch">http://search.abb.com/library/Download.aspx?DocumentID=9AKK107492A2404&amp;LanguageCode=en&amp;DocumentPartId=&amp;Action=Launch</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?
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.
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
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?
(b)	Reduction during usage by consumers (energy, water) has been achieved since the previous year?

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.</p> <p>The Company has set procedures in place for sustainable transportation as well. At the time of qualification to become the Company's supplier, the vendor is assessed across set sustainability matrices.</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. In the scope of this program, the Company trained both suppliers and Company employees, and carried out supplier audits to identify improvement in the areas of general management, working hours, remuneration, social benefits, health and safety, environmental protection etc.</p> <p>Yes. 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 Restricted and Prohibited 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?	The Company has moved 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 and identified the most common issue of its suppliers as "lack of knowledge in legal requirements related to factory" during sustainability assessments. To address this issue systematically, three one-day workshops on the topic were organized at manufacturing locations of the Company in Nashik, Vadodara & Faridabad for its suppliers. Training materials on the above subject has been made available to suppliers to expedite their learnings including that of local and small vendors
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.>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: 3299
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	New employees added in the year: 325 Apprentice / Interns / Trainees: 721 Contract employees: 112
3.	Please indicate the Number of permanent women employees.	216
4.	Please indicate the Number of permanent employees with disabilities	6
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?	11.94%
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.	There were 2 sexual harassment cases received by the Company in the year which are being investigated for substantiation.

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	0	Nil
2.	Sexual harassment	2	1
3.	Discriminatory employment	0	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Yes. All of the Company's employees underwent safety related training and skill upgradation which were on a periodical basis. A total of 180816.0 hours of HSE trainings for employees and contractors.	
	(a) Permanent Employees		
	(b) Permanent Women Employees	During the year the average HSE training hours / employee was: 15.56	
	(c) Casual/Temporary/Contractual Employees	This category of employees is subjected to skill-based training depending on the work and job roles. Training matrix is designed based on their job risk profiles. As and when required, refresher trainings are provided to upgrade skills based on any changes in the work/ job profiles of employees.	
		During the year 107987.5 manhours were clocked for contractor safety trainings	
	(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.	Yes	
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.	Yes. The Company undertakes its CSR activities for disadvantaged, vulnerable communities including focus on disability sector and assists in community development in and around its factory operations	
<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?	There were 142 number of investors' complaints received during the year and all of them have resolved during the year	
<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> ABB Group's recent (July 2019) statement on Climate Change and Global Warming: <a href="https://new.abb.com/sustainability/environment/abb-statement-on-climate-change-and-global-warming">https://new.abb.com/sustainability/environment/abb-statement-on-climate-change-and-global-warming</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="https://new.abb.com/news/detail/4482/abb-ability-supports-indias-clean-energy-future">https://new.abb.com/news/detail/4482/abb-ability-supports-indias-clean-energy-future</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
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**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.
2.	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?	The CSR programs include both direct spending as well as through the Company's foundation in partnership with verified external NGO partners/ implementing agencies.
3.	Have you done any impact assessment of your initiative?	Needs assessment through stakeholder engagement is taken into account for large projects. Impact assessment will be taken up for large projects that have been running with the company's funding on continuously for at least for 3 years.
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	The Company spend 12.45 Crores towards CSR programs. Details are provided Annexure - E to Directors 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 Company's 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 key stakeholders.

**Principle 9**

1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	Total number of customer complaints received during the year: 4855  Percentage of customer complaints which are open at the end of the year :0.54%
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.

**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 (LODR) regulation, 2019 is attached to this report.
- "During the year, the Bengaluru Bench of National Company Law Tribunal has sanctioned the Scheme of Arrangement between the Company, ABB Power Products and Systems India Limited (APPSIL) and respective shareholders & creditors involving the demerger of the Power Grids Business of the Company to APPSIL under the provisions of Sections 230 – 232 and other applicable provisions of the Companies Act, 2013. Accordingly, the Power Grids Business of the Company has been transferred to APPSIL. Hence, all data provided in the Business Responsibility Report are excluding the data for the Power Grids Business."