

Business Responsibility Report 2018

Sustainability overview

The Company is a leading contributor to a sustainable world through its unique business offerings of pioneering technologies and sustainable business practices. The Company has been instrumental in aiding and steering the path for the country's vision of sustainable growth and its agenda to focus on smart cities, sustainable mobility solutions, bringing in automation and energy efficiency in core manufacturing and utility sectors apart from focusing on its in-house sustainability in terms of sustainable processes and practices at its operations and manufacturing locations.

The Company is supporting Government of India to realize its ambitious vision of 'Make in India' through advanced manufacturing technologies that incorporate the latest developments in robotics and artificial intelligence. The Company has been making in India for over six decades and locally manufactures 75 percent of the portfolio offered globally today by focusing in its state-of-the-art manufacturing and applications of future technologies.

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 are undertaken, covering health, safety, social, environmental and security impacts, to strengthen business performance and resilience.

Sustainability considerations are embedded into the Company's daily business and it helps to create value to its varied stakeholders and manage its risks. The Health Safety Environment and Sustainability Affairs (HSE/SA) function sets strategic direction and delivers effective, efficient services that embed health, safety, environment, security and corporate responsibility in sustainable business practices of the Company.

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

Environment, Security and Sustainability. The Company also has an HSE policy in line with the Group's objective.

To realize global leadership in HSE/Sustainability (SA) 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. 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.

Sustainability objectives and targets

In line with ABB Group's sustainability strategy and objectives, the Company has set sustainability targets that are continuously monitored, and along which actions are taken. The ABB Group target for 2020 and beyond includes the following 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

The ABB Group prepares the Group Sustainability Report¹ annually for public disclosure based on the Global Reporting Initiative (GRI) guidelines. The Company annually publishes the Business Responsibility Report² as per SEBI's requirement and is part of its annual report for disclosure on key sustainability indicators.

Stakeholder engagement

Sustainability performance forms an important basis for the Company's dialogue with its stakeholders. In recent years ABB has been carrying out surveys with stakeholders that impact the Company's sustainability strategy and priorities. Consultations with both external and internal stakeholders were instrumental in developing the ABB Group sustainability objectives for 2014-2020. A comprehensive dialogue is in process to seek inputs and feedback from key stakeholders that will enable ABB to

¹ ABB Group Sustainability report 2017: <https://new.abb.com/docs/default-source/sustainability/abb-group-sustainability-report-2017.pdf>
² https://new.abb.com/docs/librariesprovider19/default-document-library/brrblad21ecc1f463c09537ff0000433538.pdf?sfvrsn=97594214_2

revisit its materiality matrix and also in developing the next level 2030 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

During the year the Company dynamically engaged with its varied stakeholders to create an inclusive business environment seeking their inputs constantly. The Company had dialogues with various Government entities central and state with regards to policy and presentation on the Company's innovative sustainable solutions such as artificial intelligence, and "Make in India", smart cities, sustainable mobility solutions, electric vehicle charging, energy efficiency, efficiency upgradation in the railways sector, renewable energy, growth developments & technology keeping the climate change, job skilling etc.

The Company entered into a large partnership with a premium research organisation on implementing a pilot smart grid solution, which will serve as a model for Government of India planned smart cities initiative. It also continued its funding and partnerships with several other premium research institutes in the country for research and development on frontier areas such as power, renewables, power storage, automation, micro grids etc.

Vendor and contractor safety meets are carried out regularly to bring ABB India contactors and vendors in line with safety requirements and codes of practice. The Company also carried out its Supplier Sustainable Development Program (SSDP) across chosen vendors.

As a listed Company, it has a set processes for receiving and addressing its investor requests. A total of 138 investor requests were received in the year, all of which have been satisfactorily responded to. For employee participation and engagement, there are several ongoing initiatives. Also, there were several management communications with emphasis on health, wellness & safety in daily work.

The Company during the year also organised several customer engagement events called the Customer Connect Program (CCP) designed to bring the Company's technologies deeper into the Tier 2 and 3 cities across the country.

Healthy and safe working environment

Safeguarding its employees and contractors is the prime area of focus for the Company. Safety being a line responsibility, the Company focused on developing people skills, knowledge and resources to equip its personnel with the right behavior. This year, apart from certifying its employees on safety, the Company's trainings focused on behavioral and job specific aspects such as Safety Master Class and SafeStart for all its managers and specific trainings and certification programs imparted to nominated members such as The Institution of Occupational Safety and Health (IOSH) and National Examination Board in Occupational Safety and Health (NEBOSH). Electrical safety trainings for all service personnel was also mandated by the Company. The Company clocked around 5.06 HSE training hours per employee during the year.

To ensure safe operations, hazard reporting resolution of reported hazards was implemented. The Company received a total of 42,541 hazards during the year and 99.4% of the reported hazards were resolved during the year and the balance being done. A total of 11,805 Sustainability Observations Tours (SOTs) were conducted during the year across the Company which included not just safety but also health, environment and security related observations. The Company clocked a total of 26.17 million contractor man-hours worked and 25.20 million employee man-hours worked, with 2 work related fatality, 2 serious injuries, 1 high potential incident, 5 lost time injuries, and 18 medical treatment injuries.

In an effort to motivate and propagate good safety practices within the Company, it continued to appreciate and reward key innovations, best practices by individuals and teams and these were recognized and rewarded under the Company's annual HSE awards program.

Occupational health and wellbeing continued to be another key HSE focus for the Company. Various health programs such as occupational health checks, welfare oriented executive medical checks, resilience program with focus on breathing meditation, relaxation sessions, yoga and stretching exercise sessions were conducted. Training sessions on the usage of Automated External Defibrillator (AED) that have been deployed across locations and on Basic Life Support (BLS) were conducted. The Company also saw large participation of its employees in completing "at least 10000 steps a day" as a part of the Global Health Challenge program initiated by the ABB Group. There was also increased communication by the Company on general health information to all employees through various means including weekly mail communications.

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 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 14001:2015. The Company's facilities are in the process of transitioning to ISO 45001:2018.

The Company has made significant progress towards its energy and climate goals. The Company's grid electricity consumption in the year was 61210 MWh of which 31% is via green power purchase which in turn reduced its scope-2³ emissions. Green power purchase and in-house solar installations for street lighting has resulted in the avoidance of 16072 tons of CO₂e.

Apart from green power purchase, the Company has invested in 1200 kwp plug and play containerized microgrid in its Vadodara facility. This year 600 kwp solar microgrid and 100 kwp solar PV system were commissioned at the Company's Vadodara and Faridabad locations respectively. Energy generated from solar panels in Vadodara facility during the day is stored in the battery reducing the dependency on diesel generators during power outages. Overall this has resulted in avoidance of 261 tons of CO₂e this year.

Water management

Water withdrawal in the year was 0.67 million m³ at the Company's manufacturing facilities. Although the manufacturing processes in most sites of the Company are not water intensive, water is considered material to its operations due to the growing demand for freshwater in the country. Efforts to reduce freshwater withdrawals include conservative use of water in its operations by using water efficient fixtures in buildings and water reuse. Closed loop systems are used for the Company's cooling systems and industrial processes and in-house Sewage Treatment Plants (STP) aid in the Company's recycling efforts. Water treated in the Company's STP is used for irrigation of gardens and for sanitation purposes which amounts to about 32% of our total water withdrawal for the year.

Waste management

Reducing generation of waste and reducing the wastes that is sent for final disposal remains the Company's focal area. Waste reduction is incorporated in the product

design stage to ensure waste minimization in manufacturing process. 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 wastes are sent to relevant to Pollution Control Board (PCB) authorized recyclers. Of the total wastes disposed this year, 91% were recycled through these authorized recyclers and co-processing units.

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 a very long operating lifetime, hence, high efficiency and low emissions during operation of the product are essential in reducing the total environmental impact.

ABB Group uses a process called the ABB Gate Model for product and technology development. Sustainability aspects are built into this model and includes a standardized Life Cycle Assessment (LCA) procedure. The ABB Group also develops Environmental Product Declarations (EPD) to communicate the environmental performance of core products over its entire life cycle. EPDs are based on detailed LCA studies conducted using the LCA model and declared according to international standard ISO/TR 14025.

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 non-renewable resources in each one of the phases.

Supply chain sustainability

ABB extends its influence to ensure a responsible working environment of direct and indirect stakeholders. This includes partners in the supply chain who share considerable footprint in the product value chain.

The ABB Supplier Code of Conduct is the basis on which the Company builds its strategy to source responsibly. The Supplier Code of Conduct defines the Company's requirements for its 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

³ As categorized by GHG protocol

proclaimed human rights standards and ensuring equality of opportunity are expected as the minimum level of commitment.

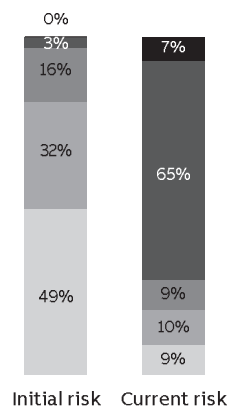
The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The goal of SSDP is to ensure compliance with the Supplier Code of Conduct, support continual improvement of the sustainability performance of suppliers and to provide customers with a highly competitive and sustainable supply chain. In the scope of this program, the Company selects a group of suppliers each year. Then they are trained and audited to identify areas of improvement in the following domain:

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

In addition to regular trainings, the Company has conducted special workshops on legal awareness. 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. The Company also reviews the implementation of action plans by repeated visits and follow up audits. Suppliers are supported throughout the program for any kind of technical query.

In India, 82⁴ suppliers have been trained on sustainability requirements and 36 of them were assessed for such requirements during 2018. Total number of suppliers trained under the program since 2009 stands at 673⁵ (may include suppliers who have undergone repeat trainings). The total number of suppliers assessed stands at 325⁶.

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 percentage risk profiles of suppliers selected from 2009 to 2018, before and after corrective actions under the SSDP). At the end Q4 of 2018, 22⁷ suppliers who did not show commitment to fulfill the requirements of the Supplier Code of Conduct were blocked. Business with these suppliers can only resume after they have demonstrated compliance with the ABB Supplier Code of Conduct.



In order to further strengthen its responsible sourcing strategies, the Company is revisiting its sourcing process and is adopting additional controls. ABB, jointly with a 3rd party agency, did a recertification program for its internal lead assessors. Seven 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 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

People well-being

The Company continues to attract top performers due to its inclusive culture and the opportunities available for growth. The people strategy is aligned with the Company's overall ambition to be a pioneering technology leader. This required a stable work environment in a growing market by maximizing the potential of the Company's workforce. To ensure that the Company continues to attract top talent, multiple employer branding initiatives were launched.

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 provide an

4 Trainings-Q4 IN SSDP KPI Report

5 Trainings till 2018 Q4

6 Supplier Assessments- Q4 IN SSDP KPI Report 2018

7 Ibid - summation of blocked suppliers

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 has been aligned with the business strategy.

In 2018, the Company launched a reward and recognition programme to recognize exceptional performance and behavior in line with organizational values. There was continuous focus on improving the diversity in the workforce throughout the year. An ex-employee outreach programme was also launched to encourage rehiring of performers who may have left for various reasons. The entire approach to wellbeing was based on increasing diversity, promoting inclusion and recognizing performance. Annual medical checkups and camps were set up through the year to promote physical wellbeing.

Learning and development

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 customized learning solutions. While Leadership Development and most other L&D initiatives are in-house, the L&D team also works closely with external agencies and vendors to meet the demands of local training programs. This year, there was focus on developing cross cultural awareness and preparing managers to deal with a workforce which is increasingly diverse and technology friendly.

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. 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.

Diversity and inclusion

ABB Group being a global pioneer with a 125-year history, has grown from its roots in many different countries and cultures around the world. 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. The ABB Group ambitions for 2020, is to focus on improving gender diversity. Diversity & inclusion initiatives at ABB are guided by an overall strategy with three pillars: talent, career lifecycle and raising awareness on diversity and inclusion internally and externally.

In line with the ABB Group vision and policy, the Company recognizes that diversity supports innovation and success and has taken several efforts on this front. The Company through various efforts and initiatives improved its diversity from 9% to 10.6% in the reporting year. Some of the key activities of the Company during the year include:

- Expanded its talent source to include women-only engineering colleges
- Included talent development program that focuses on increasing the female talent pipeline for middle management
- Formed the Diversity and Inclusion (D&I) council with senior leaders from business division and the Company's human resources team for focused intervention and track initiatives where in roles and responsibilities were defined.
- Workshops were organized with each of its business to ensure open discussion on challenges and coming up with action plan and to bridge any gaps identified for D&I initiatives
- Initiated the "Re-board" program to reconnect with former women employees

S.N	Key human resource data of the Company for the year	2018
1	Total number of permanent employees	5531
2	New employees added	448
3	Apprentice / Interns / Trainees	1130
4	Total number of employees hired on contractual basis	349
5	Number of women employees of the total number of permanent employees	337
6	Number of permanent employees with disabilities	15
7	Recognized employee association	Yes
8	Percentage of permanent employees who are members of the recognized association	17.72

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. 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, a global capacity building program is under way. In this reporting period, there have not been any grievances related to human rights. The Company, in line with the Group policy, seeks to raise its standards, and increase its understanding, and mitigation of human rights risks.

Integrity, transparency and accountability

The ABB Code of Conduct is the framework that explains the behavior ABB expects of every employee and stakeholder who work with it. The ABB Code of Conduct provides a framework to put business principles into practice with utmost integrity. It is a breach of the ABB Code of Conduct to fail to report a violation or suspected violation that employees know about or to refuse to cooperate with the investigation of a suspected violation. Each employee 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 developed and implemented a systematic approach designed to prevent, detect and resolve any potential integrity concerns. This is supported by tools and processes and a zero-tolerance policy for any violations. The Company's integrity program has created an environment where all its employees can be open about identifying risks, asking questions, and raising concerns.

The Company in line with the ABB Group uses a systematic approach, designed to foster a culture of integrity and compliance. This is carried out through leadership and business accountability, supported by strong tools and processes, and a zero-tolerance policy for 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, or 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 has multiple reporting channels available to all its employees/stakeholders and this includes an ABB Business 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) that is available for employees to report integrity and compliance concerns or seek guidance. There are web-based reporting systems available for employee reporting. Stakeholder hotline for business partners are also available (+41 43 317 33 66). All reports received are subjected to appropriate investigation, follow up, and brought to full closure; systematic process and tracking system and the Company enforces a rigorous non-retaliation policy.

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.

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 it operates, 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 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 complaints received by the said committee of the Company in the year which are being investigated for substantiation.

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, equal opportunity, harassment and disciplinary practices, working hours, compensation, suppliers, community involvement and business ethics.

The policy draws principally on six sources:

1. The Universal Declaration of Human Rights
2. The UN Guiding Principles on Business and Human Rights
3. 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 has its Corporate Social Responsibility (CSR) policy and framework for action along with clear focal areas against which community engagement projects are taken up predominantly in and around its factory locations. The Company undertook several development programs for the betterment of communities. The Company continued with its commitment to allocate and spent 100% of its allocated CSR spend for the year towards betterment of vulnerable groups and communities. A total of Rs. 107.4 crore was spent by the Company during the year on CSR activities as stipulated under Schedule VII of the Companies Act, 2013.

Some of the key projects were partnership with premier research organization and a foundation in the field of community micro grid, renewable energy storage research, providing mid-day meals to identified Government schools, setting up a centralized kitchen capable of producing 25,000 daily mid-day meals, providing for operational costs and special needs to a school that caters to children with disability, mobile health care units to provide access to preventive health for communities, running a mobile science education to Government school children, education and skill development with focus on girl child and women.

Customer engagement

As a pioneering technology leader, the Company offers its customers products and solutions that improve operational and resource efficiencies and performance. The Company values and respects its customers and strives to meet and exceed their expectations. The Company adopts an outside-in perspective to understand the customer's interactions with ABB, reduce the customer's effort at each touchpoint and improve the customer experience.

During the year, the Company hosted several meets, events and seminars to proactively engage with the customers. It held Customer Connect Program (CCP), designed to bring the Company's technologies and competencies deeper into the markets. The CCP events, with the theme "Accelerating sustainable growth", provided an enriching experience for different stakeholders from the power and automation industry specific to the city/region where the event was hosted. Workshops, exhibits, presentations and panel discussions with industry leaders, influencers and policy-makers from the city provided a platform for the exchange of ideas and best practices across different business sectors and technology domains. ABB Ability™, the Company's innovative offering of digital solutions and services was showcased.

The Company also engages with customers through training – at customer sites or at the Company's dedicated training facilities. The training program integrated best-in-class demonstrations and in-depth technical proficiency to upskill customer engineers, optimised their operations and make their business safer. During the year the Company established a state-of-the art training center called ABB Power Technology Experience Centre (ABB PowerTEC). Designed to be India's leading technology and knowledge institute, ABB PowerTEC imparts training and learning in futuristic and current power engineering, power automation and digital technologies.

Customer voice is 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. The customers response to the "recommend" question and the green card / red 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 relational NPS surveys are held once in two years. In the NPS survey carried out by the Company in 2018, about 4,000 customer responses were received, representing a response rate of 55%. The NPS score rose to 69%, an improvement of about 8.5 percentage points as compared to the previous survey.

In addition, the Company also uses transactional NPS surveys to get touch-point specific feedback to identify 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 staff as soon as they occur.

The Company also has a cross-divisional initiative called Customer Contact Management (CCM) to enhance 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 those customers and other business partners who do not know where to turn to. The Contact Center receives inquiries – which can be of any kind for any product, system or service – and routes them to the business units or functions in the Company for their response and resolution. The Contact Center is available on all working days during working 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 units and functions.

The capture and management of customer dissatisfaction is key to building customer relationship and the improvement of Company's products, systems and services. In terms of addressing any 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 business unit 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 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.

Links to Policies and Programs

Sustainability (ABB Group):

<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

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>

Supplier Sustainability Development Program (ABB Group):

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

Corporate Governance (ABB Group):

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

Integrity Program (ABB Group):

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

ABB Whistleblower - Protection Policy (ABB Group):

<https://new.abb.com/about/integrity/reporting-channels/whistleblower-protection-policy>

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, 2018 is attached to this report.

Business Responsibility Report 2018

(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	http://new.abb.com/indian-subcontinent
5. E-mail id	investor.helpdesk@in.abb.com
6. Financial Year reported	2018
7. Sector(s) that the Company is engaged in (Industrial activity code-wise)	1. Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus - 271 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. Transformers 3. Electronic control and supply units for variable speed drives for other applications 4. Motors and other machines
9. Total number of locations where business activity is undertaken by the Company	48
A Number of International Locations (provide details of major 5):	1, Sri Lanka
B Number of National locations:	15 factories and 32 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 Cr
2. Total Turnover (INR)	10,861.90 Cr
3. Total profit after taxes (INR)	510.89 Cr
4. Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	2.01%
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?	Yes.
2. Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No, as the subsidiary was incorporated only during February 2019.
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%.

1. Details of Director/Directors responsible for BR

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

(b) Details of the BR Head

2. Principle –wise (as per National Voluntary Guidelines - NVGs) BR Policy/policies

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

[illegible]

(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 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 BRR of the Company for the year 2017 is: https://new.abb.com/docs/librariesprovider19/default-document-library/brrb1ad21ecc1f463c09537ff0000433538.pdf?sfvrsn=97594214_2

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 138 investor grievances received, off which all of them have been satisfactorily resolved.
Principle 2	
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	(a) Gas insulated switch gear (b) Low voltage circuit breakers (c) Large distribution transformer
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	Life Cycle Analysis (LCAs) have been conducted for over 70 ABB products such as power transformers, low voltage circuit breakers, gas insulated switchgears, current relays, etc. and these also have environmental product declarations (EPD)
(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	Not available
(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not available

3.	Does the company have procedures in place for sustainable sourcing (including transportation)?	<p>Yes. The Company has set procedures to select suppliers, contractors and service providers based on their competence and capability to undertake tasks and in compliance with the ABB's Supplier Code of Conduct which includes health & 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 transportation as well. At the time of qualification to become an ABB supplier, the vendor is assessed across sustainability matrix.</p> <p>The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The goal of the SSDP is to ensure compliance with the Supplier Code of Conduct, to support continual improvement of the sustainability performance of suppliers and to provide customers with a highly competitive and sustainable supply chain. 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 & 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 with the Company. The qualification procedures include all aspects of sustainability performance.
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. Businesses do have their list of local suppliers. However the Company 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 "limited 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 and 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.	<p>Yes. The Company's products are recyclable (~90% by weight of ABB products can be reused or recycled).</p> <p>>10%. The Company has stringent waste management practices for internally generated wastes; covered in the Company's HSE policy.</p>
Principle 3		
1.	Please indicate the Total number of employees	Permanent employees: 5531
2.	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	New employees added in the year: 448 Apprentice / Interns / Trainees: 1130 Contract employees: 349
3.	Please indicate the Number of permanent women employees	337
4.	Please indicate the Number of permanent employees with disabilities	15
5.	Do you have an employee association that is recognized by management?	Yes
6.	What percentage of your permanent employees are members of this recognized employee association?	17.72%
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 during second half of 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	Nil	Nil
2.	Sexual harassment	2	2
3.	Discriminatory employment	Nil	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Yes. All of the Company's employees underwent safety related training and skill upgradation on a periodical basis.	
	(a) Permanent Employees	During the year the average HSE training hours / employee was: 5.06	
	(b) Permanent Women Employees		
	(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 107666 manhours were clocked for contractor safety trainings	
	(d) Employees with Disabilities	Training on various aspects are given to employees including persons with disabilities	
Principle 4			
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. The Company has identified vulnerable groups who are targeted for Corporate Social Responsibility (CSR)	
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 of its factory operations	
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?	No. It is applicable to all – Group, Joint Ventures, Suppliers, Contractors, NGOs and Others.	
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil	
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?	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. http://new.abb.com/betterworld/how-abb-technology-mitigates-climate-change ABB Group's recent (May 2018) Climate change statement : http://search.abb.com/library/Download.aspx?DocumentID=9AKK106713A6517&LanguageCode=en&DocumentPartId=&Action=Launch	
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. https://new.abb.com/news/detail/4482/abb-ability-supports-indias-clean-energy-future	
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	
Principle 7			
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 (IEMA) (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	

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 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 of the Company are direct and also through its registered Trust. 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?	No
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the year, the total spent on CSR activities by the Company was Rs.107.4 Lakhs against a budget of Rs. 107.1 Lakhs as stipulated under Schedule VII of the Companies Act, 2013. Details are in annexure attached in the CSR report
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	CSR activities were pursued in line with the Company's policy and framework. The first step in the process is to identify communities that require 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 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.