

# The Global Reporting Initiative (GRI)

## In pursuit of the GRI's recommendations

### In the Sustainability review, you will find facts and figures on ABB's sustainability performance for the 2003 fiscal year.

For the third consecutive year we have chosen to follow the triple bottom line guidelines defined by the Global Reporting Initiative in reporting our economic, social and environmental performance.

Each item carries the relevant GRI performance indicator number. Some of the GRI indicators, such as respect of privacy, are not relevant to ABB's operations. Some others, like the amount of materials used, are virtually impossible to answer for a global company manufacturing a wide range of products at many different sites.

Nevertheless, for the last three years we have steadily converged on the GRI's recommendations and have added more GRI indicators to the scope of our reporting for 2003, particularly to the social performance section.

The reporting boundaries cover all manufacturing facilities, approximately 410 sites in the 48 countries where we have substantial manufacturing activities.

In order to provide as complete a picture as possible, we have also included our non-manufacturing organizations. These have limited environmental impact, and we have estimated their main indicators such as the use of electricity, district heating and water consumption per person. The estimates are based on data from comparable premises. We indicate in the text when an estimate is used.

### Integrating sustainability in our business

This year, the company has taken the significant step of integrating sustainability reporting into the group's Operational review, formally embedding the triple bottom line approach.

This approach is encapsulated in a recent statement by chairman and CEO Jürgen Dormann: "The mission of ABB is to create value for the triple bottom line, and contribute to sustainable economic, environmental and social development by providing our utility and industry customers with power and automation technologies that improve performance and lower environmental impact."

We believe the triple bottom line approach in ABB's Annual Report is an important step forward to embed sustainability into the day-to-day business operations of the group.

### Monitoring and reporting performance

Our global network of some 450 sustainability controllers and officers (equal to 90 man-years' work) is responsible for implementing our sustainability policies and systems to meet group objectives, and for auditing and reporting performance annually by means of a formal intranet-based system.

Some 350 local sustainability officers report environmental data from 410 manufacturing sites, while 46 country sustainability controllers report management and social performance from 48 countries. Performance data relating to products and product stewardship is provided by sustainability liaison officers in the business areas.

The intranet reporting scope is extensive, with data collected against defined performance indicators covering environmental, social, and health and safety areas. The data is then consolidated and checked against GRI definitions at group level, verified by the independent accreditation society Det Norske Veritas (DNV) and published in this report.

## The journey so far

### 1992

ABB signs International Chamber of Commerce Business Charter for Sustainable Development, establishes its environmental affairs organization and sets up environmental advisory board.

### 1993

Network of environmental controllers appointed for countries and factories. Thirty-eight countries participate in start-up of ABB's environmental management program. First reporting procedures introduced.

### 1994

Implementation of environmental management systems is set as group-wide objective, involving 43 countries. ABB publishes its first environmental report.

### 1995

ABB publishes its first set of environmental objectives. The first design tool for life cycle assessment of products launched. Fifteen ABB sites certified to BS 7750 or EMAS environmental standards.

### 1996

ISO 14001 is introduced. A total of 50 ABB sites gain certification, including first site in China and first construction site.

### 1997

123 sites gain certification to ISO 14001. ABB publishes second generation of environmental objectives and launches second-generation life cycle assessment (LCA) software tool and database.



## Contents and GRI reference matrix

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This report is printed on paper made from elementary chlorine free (ECF) pulp in mills which are certified to ISO 14001. About ten percent of the wood used for this report comes from forests certified by the Forest Stewardship Council (FSC), the remainder from forests which are in the process of FSC certification.

The complete ABB Group Annual Report 2003 consists of an Operational review, a Financial review and a Sustainability review. For an additional copy of this or any other of the reviews, please use the contact information on the back of this document, or download copies from [www.abb.com](http://www.abb.com). The complete report is published in English, German, Swedish and French. The English-language version is binding.



ABB's Sustainability review is available on the Internet: [www.abb.com/sustainability](http://www.abb.com/sustainability)

## 1998

ISO 14001 is implemented in 449 sites. ABB's CEO serves on World Commission on Dams, which produced guidelines balancing different stakeholders' concerns for new hydropower projects. First summaries of ABB's environmental report published in 23 languages.

## 1999

ABB produces first environmental product declarations (EPDs). ABB's CEO initiates World Energy Council's greenhouse gas reduction program. ISO 14001 is implemented in 519 ABB sites (including company in South Africa's Black Economic Empowerment plan).

## 2000

ABB divests power generation business. ABB launches social policy and publishes first sustainability report including both environmental and social performance. ABB participates in the launch of the United Nations Global Compact. ISO 14001 is implemented in 539 sites.

## 2001

Dow Jones Sustainability Index rates ABB top of its group for the third successive year. First "triple bottom line" ABB sustainability report introduced, inspired by the Global Reporting Initiative. ISO 14001 implemented in 98 percent of group's manufacturing sites.

## 2002

Sustainability business plans implemented in 50 countries. ABB launches "Access to Electricity" initiative at World Summit in Johannesburg. Environmental management systems expanded to include employees in non-manufacturing facilities, including group headquarters.

## 2003

ABB sets objective to implement health and safety management systems based on OHSAS 18001 in all businesses by end 2004. ABB begins first projects in Tanzania under its "Access to Electricity" program. With six other companies, ABB launches Business Leaders Initiative on Human Rights to reinforce human rights within business sectors. Process commences to update environmental policy to better reflect ABB's commitments and business activities.

# Profile of ABB and scope of report

## Organizational profile

### 2.1 Name of reporting organization

ABB Ltd – the worldwide ABB Group – headquartered in Zurich, Switzerland.

### 2.2 Major products and services

ABB is a leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact.

ABB Power Technologies serves electric, gas and water utilities, as well as industrial and commercial customers, with a broad range of products, systems and services for power transmission, distribution and power plant automation.

ABB Automation Technologies blends a customer focused product, service and system portfolio with end-user expertise and global presence to deliver solutions for measurement, control, motion, protection, and plant optimization across the full range of process, discrete and utility industries.

ABB is a manufacturing and services group which outsources some of its work (for example, information technology infrastructure).

### 2.3 – 2.5 Operational structure, description of major divisions, and locations of the organization

The operational structure comprises two core Power and Automation Technologies divisions, supported by group staff functions (such as sustainability affairs, corporate communications, controlling, legal and compliance, human resources, etc), all reporting to a five-person executive committee. The president of the executive committee is the chief executive officer of the company. Also represented on the committee are the two heads of the core divisions, the chief financial officer and the head of human resources, who is also the executive committee member responsible for sustainability affairs.

At the end of 2003, the number of employees was 116,464. The formal sustainability reporting system covers 98,123 employees in 48 countries. The ABB Group of companies operates in around 100 countries. The headquarters is in Zurich, Switzerland.

### 2.6 Nature of ownership; legal form

ABB is listed on exchanges in Zurich/London, Stockholm, Frankfurt and New York.

As of December 31, 2003, Investor AB, Stockholm, Sweden, held 204,115,142 ABB shares, reflecting 9.86 percent of the company's share capital. The percentage of Investor's share participation had been reduced to this figure from the former 10.01 percent as a result of ABB issuing on December 15, 2003, 30,298,913 new shares out of the authorized share capital in connection with the plan of reorganization of Combustion Engineering.

The Capital Group International, Inc., Los Angeles, CA, U.S., informed ABB that, as of December 31, 2003, they held for their clients 133,888,830 ABB shares, corresponding to 6.5 percent of ABB's total share capital.

To the best of ABB's knowledge, no other shareholder holds five percent or more of ABB's shares.

### 2.7 Nature of markets served

ABB serves electric, gas and water utilities and the oil, gas and petrochemical industries. In the manufacturing, process and service industries ABB serves the automotive, cement, chemical, distribution, electronics, food and beverage, life sciences, marine, metals, mining, paper, petroleum, printing, telecommunications and turbo charging industries with application-specific power and automation technology.

### 2.8 Scale of reporting organization

Number of employees worldwide at end 2003: 116,500 (140,000 end 2002).

#### Employees by region:

Europe	61%
The Americas	16%
Asia	13%
Middle East and Africa	10%

#### Sales (revenues) for 2003:

\$18,795 million (\$17,466\* million for 2002)

#### Sales by region:

Europe	55%
The Americas	19%
Asia	18%
Middle East and Africa	8%

\* Adjusted to reflect the move of activities to Discontinued operations in 2003.

Total capitalization: On December 31, 2003, the total capitalization (short-term borrowings and current maturities of long-term borrowings plus long-term borrowings and total stockholders' equity) was \$10.9 billion (\$8.9 billion end 2002).

Debt: (short-term borrowings and current maturities of long-term borrowings and long-term borrowings) was \$7.9 billion (\$7.9 billion end 2002).

Equity: (total stockholders' equity) was \$3.0 billion (\$1.0 billion end 2002).

Total assets: total assets were \$30.4 billion (\$29.5 billion end 2002).

### 2.9 Main stakeholders

Customers, employees, shareholders, creditors, suppliers, media and investment communities, business partners, and society at large (local communities where we have operations, NGOs, academia, central and local government, trade unions, media, and banks).

## Report scope

### 2.10 Contact for the report

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### 2.11 Reporting period

Fiscal year 2003.

### 2.12 Date of previous report

June 2003, covering fiscal year 2002.

### 2.13 Boundaries of report

Unless otherwise stated, the Sustainability review covers ABB Group employees in owned or leased premises in countries and regions where ABB has appointed country/regional sustainability controllers, who are responsible for driving ABB's sustainability management program worldwide and gathering the data consolidated in this report. All ABB employees, except those in units being divested, are covered by this report. It does not cover our clients' sites.

### 2.14 Significant changes in size, structure and ownership

During 2003, ABB sold most of its Building Systems business and Reinsurance business, and in January 2004 finalized the agreement to sell the upstream part of its Oil, Gas and Petrochemicals division.

There were no significant ownership changes in 2003. In December 2003 Investor AB held 9.86 percent of total share capital (10.01 percent in December 2002), and in December 2003 The Capital Group International, Inc., Los Angeles, CA, U.S., held 6.5 percent of total share capital (5.3 percent in March 2003). See indicator 2.6 for details.

### 2.16 Effect of restatement of information

Due to the divestments in 2003, mentioned in 2.14, and the cost-cutting and ongoing streamlining of ABB's organization, the number of employees was reduced to around 116,000 in 2003, from around 139,000 in 2002, and the number of manufacturing sites and workshops covered by the sustainability management program reduced to 410 in 2003, from 504 in 2002.

## Sustainability review profile

### 2.19 Significant changes in sustainability information measurement methods

Sustainability information measurement methods remain much the same as in the previous year. However, the scope has been increased by the addition of indicators to meet more fully the requirements of the Global Reporting Initiative guidelines, particularly in the social area. Sickness and accident reporting has again been expanded during 2003 in line with International Labour Organization recommendations, and a separate comprehensive reporting format introduced to collect all health and safety performance data. An ABB Group directive was issued in 2003 whereby all work-related fatalities and serious incidents worldwide are reported directly to the CEO, executive committee members and group function heads within 24 hours.

ABB now uses three computerized data reporting questionnaires to measure and collect performance data throughout the group via the ABB intranet – a social report from every country, an environmental report from every site, and a health and safety report from every country.

### 2.20 Policies and practices to enhance accuracy, completeness and reliability of the report

The three sets of computerized data collected from each country and ABB site, as described in indicator 2.19, are consolidated and checked at the country level and again at the group level. At least every third year, the country sustainability controller audits the data from each site.

In response to comments made last year by Det Norske Veritas, the independent verification body, more help buttons have now been provided and have been expanded to define fully the data required, and to ensure accuracy and consistency.

### 2.21 Independent assurance for the full report

ABB's triple bottom line performance, as covered in this Sustainability review, has been verified by independent external organizations. The data reported in the economic performance section (pages 12–13) comprises extracts from ABB's Annual Report 2003, audited by statutory auditors Ernst & Young AG. The environmental and social sections (pages 14–17, and 18–22) have been verified by the independent verification body, Det Norske Veritas, whose statement appears on page 26.

### 2.22 Additional information on sustainability matters

Further and expanded information on ABB's sustainability performance is described in the Operational review of the ABB Group Annual Report 2003, and is published on the ABB Group Web site under: [www.abb.com/sustainability](http://www.abb.com/sustainability)

# Governance structure and stakeholder engagement

## Structure and governance

### 3.1 Governance structure of the organization, including committees

ABB is committed to the highest international standards of corporate governance, and supports the general principles stated in the Swiss Code of Best Practice as well as those of the capital markets where ABB is listed: exchanges in Zurich/London, Stockholm, Frankfurt and New York.

In addition to the provisions of the Swiss Code of Obligations, ABB's principles and rules on corporate governance are laid down in its articles of incorporation, its standards for corporate governance, the charters of the board committees, the board membership guidelines, several directives (e.g. on insider information) and the code on business ethics.

The board of directors defines the ultimate direction of the business of ABB and issues the necessary instructions. It determines the organization of the group and appoints, removes and supervises the persons entrusted with the management and representation of ABB.

The board has appointed from among its members three board committees – the nomination and compensation committee, the finance and audit committee and the strategy committee.

The nomination and compensation committee determines the selection of candidates for the board of directors and its committees, plans for the succession of directors, and ensures that directors receive the appropriate training to fulfill their obligations. The committee also proposes appointments to the group executive committee and determines the remuneration of the executive committee members.

The finance and audit committee oversees the financial reporting processes and accounting practices, evaluates the external and internal auditors, reviews audit results, monitors legal compliance of ABB's financial statements, and assesses the processes relating to risk management and internal control systems.

The strategy committee reviews management proposals relating to the strategic direction of the group and assists the board of directors in determining the long-term strategy of the ABB Group.

In order to address situations of conflicting interests between the chairman of the board, especially when at the same time CEO, and board members, the board has created the new position of lead director. The additional tasks of the lead director are to act as counselor to the chairman and facilitate the dialogue between the members of the board and the chairman. He may call special meetings without the chairman's presence to discuss the chairman's role and performance.

The board of directors has delegated the executive management of ABB to the CEO and the other members of the group executive committee who are responsible for ABB's overall business and affairs and the day-to-day management. The CEO reports to the board regularly, and whenever extraordinary circumstances require, on the course of ABB's business and financial performance and on all organizational and personnel matters, transactions and other issues relevant to the group.

Upon proposal by the nomination and compensation committee, the group executive committee is appointed and discharged by the board and consists of the CEO, the chief financial officer (CFO) and three executive vice presidents.

Further information on corporate governance is published on ABB's Web site: [www.abb.com/about](http://www.abb.com/about)

### 3.2 Independent, non-executive directors

The ABB board has eight members – all except the chairman/CEO are non-executive independent directors. Determination of the independence of directors was done in accordance with the Swiss Code of Best Practice and the independent criteria set for in the new corporate governance rules of the New York Stock Exchange.

### 3.3 Expertise of board members

The nomination and compensation committee selects and recommends suitable candidates for the board in accordance with guidelines contained in the committee's charter. The committee ensures that new directors receive the appropriate introduction, and that all directors receive continuing education and training to fulfill their obligations.

### 3.4 Board-level processes for overseeing sustainability

The board supervises the executive committee and the CEO. The sustainability performance of the group, namely its health and safety, social and environmental performance, is the responsibility of one of the executive committee members, to whom the head of ABB's sustainability affairs organization reports. Sustainability risks and opportunities are also investigated in coordination with other group functions, e.g. internal audit, mergers and acquisitions (due diligence), site risk and insurance (real estate liabilities), and ABB's bid evaluation committee (customer and project risk assessments).

### 3.5 Linkage between executive compensation and performance

Executive compensation consists of a base salary and a bonus, linked to individual areas of responsibility and group performance. Achievement of non-financial goals is linked to an executive's individual performance. Executives may also participate in share options linked to group/divisional performance.

### 3.6 Organizational structure for sustainability policies

The head of ABB's sustainability affairs organization is responsible for these matters. He reports directly to an executive committee member – whose responsibilities include human resources and sustainability. Reporting functionally to the sustainability affairs team is a large network of some 450 sustainability controllers worldwide (equal to 90 man-years' work).

### 3.7 Business principles statements relevant to sustainability performance

Sustainability is one of ABB's core values, described in the business principles statements which all employees must follow, and are published on the group Web site ([www.abb.com/about](http://www.abb.com/about)). These statements are supported by overall environmental and social policies, the latter also including health and safety and business ethics policies. A new environmental policy was introduced at the beginning of 2004 (see page 10), replacing the previous policy introduced in 1992, which was integrated into almost all of ABB's manufacturing sites and workshops worldwide.

### 3.8 Mechanisms for shareholders to give recommendations to the board

Shareholders representing shares of a par value of at least CHF 1,000,000 may request items to be included in the agenda of a general meeting.

To provide a service to all shareholders, ABB's Investor Relations team is in frequent contact with shareholders, holds quarterly briefings and issues quarterly updates, inviting feedback through the ABB Group Web site. These facilities provide opportunities for minority shareholders to express their views to ABB's management.

## Stakeholder engagement

### 3.9 Identification and selection of major stakeholders

Stakeholder dialogue is conducted on two levels:

1. at group level, by a top-level stakeholder advisory panel led by executive committee members.
2. at country level, in 48 countries where we have country sustainability controllers. It is recommended that the respective country managers lead these dialogues.

Stakeholders are identified among representative groups that are impacted by, or have an impact on, the company, e.g. customers, employees, suppliers, business partners, and society at large.

### 3.10 Stakeholder consultation

The group-level stakeholder consultation is conducted at least once per year – the most recent was held in June 2003 in Zurich, and the next is planned for Spring 2004.

The country-level stakeholder dialogue sessions are also to be held at least once per year.

### 3.11 Type of information generated by stakeholder consultations

The first rounds of stakeholder dialogues, started in 2000, focused on ABB's social policy – its scope, implementation and the development of performance indicators. In recent rounds of dialogues, the agenda is set by the participants and is focused on the concerns of local communities and embedded into the local country framework. Special issues are brought to the attention of the sustainability affairs organization at group headquarters.

### 3.12 Use of information resulting from stakeholder engagements

Now that ABB's program of global stakeholder engagement is embedded in the local country framework, the information, opinions, advice and follow-up from these dialogues are mainly for the benefit of each country's awareness and strategic direction. Information from all country stakeholder dialogue sessions is fed back to the sustainability affairs team for assessment of its relevance to group-wide decisions. A feedback report is provided to all countries participating in the program so that they can learn from each other and raise their performance.

# Policies and management systems

## ABB's sustainability policies

Our goal is to improve our social and environmental performance continuously, and improve the quality of life in the communities and countries where we operate.

### We create value for society by:

- Joining initiatives that foster economic, environmental, social and educational development
- Making positive contributions in the communities where we operate so they will welcome us, and consider ABB an attractive employer and a good investment
- Offering our customers eco-efficient products that save energy and are safe to use, that optimize the use of natural resources, minimize waste and reduce environmental impact over their complete life cycles
- Sharing our state-of-the-art technologies with emerging markets
- Ensuring our operations and processes comply with applicable environmental standards and legislation. Specifically, every operating unit must implement an environmental management system that continuously improves its environmental performance
- Ensuring our social and environmental policies are communicated and implemented
- Working toward achieving best practice in occupational health and safety, and ensuring the health and safety of our employees, contractors and others involved in or affected by our activities
- Favoring and motivating suppliers who have sustainability policies and systems similar to our own

## Environmental policy

Environmental management is one of ABB's highest business priorities. We address environmental issues in all our business operations.

In 2003 ABB began the process to update its environmental policy, which was unchanged since its introduction in 1992, to better reflect the company's commitments and activities. It is an integral part of our commitment to sustainability and is embedded in our strategies, processes and day-to-day business throughout the group.

The ABB environmental policy is printed in full on page 10, and is also on [www.abb.com/sustainability](http://www.abb.com/sustainability)

## Social policy

ABB's commitment to good social performance is elaborated in the group's social policy, which was introduced in 2000 and applies to all employees.

Principle 5 of the social policy defines a clear policy for health and safety, underpinned by eight health and safety expectations which we have set for our group.

The ABB social and health and safety policies are printed in full on pages 10–11, and are also on [www.abb.com/sustainability](http://www.abb.com/sustainability)

## Group function sustainability affairs

ABB's sustainability affairs organization is composed of nearly 450 people in 48 countries, and governs ABB's sustainability management program relating to social, health and safety, and environmental performance. The team coordinates group-wide common effort programs with a present focus on the rural electrification initiative "Access to Electricity," and commissions auditing programs to verify the ABB Group is in compliance with its sustainability commitments.

A total of 46 country sustainability controllers implement sustainability business plans within each country, covering environmental, social and communication policies, programs and procedures.

About 350 local sustainability officers are responsible for environmental management programs on ABB sites in accordance with ISO 14001.

Some countries and facilities maintain additional environmental specialists to supplement the implementation of environmental management systems.

To ensure the effective implementation of the ABB health and safety strategy, each country has a country-level health and safety advisor. These specialists support senior management and work through a network of local occupational health and safety advisors at facility and project site level.

Sustainability liaison people work in ABB business areas (BAs) to integrate sustainability performance into product development, product stewardship and project management.

A sustainability support group also works within ABB's corporate research team to develop and maintain sustainability tools and training covering life cycle assessment, life cycle costs and design tools, integrating the tools into daily BA activities, and serving as a contact for a large number of external sustainability engagements.

ABB has updated its permanent sustainability advisory panel with a new concept for stakeholder engagement. Senior members of relevant stakeholder groups are selected on a case-by-case basis, according to the nature of the sustainability issues to be discussed, to serve as an ad hoc stakeholder advisory panel. In this way, the appropriate expertise can be engaged to advise on the topics on the agenda for each meeting.

### 3.13 Precautionary approach

ABB has group-wide principles in place for the development of new products and projects. This precautionary approach is integrated into the GATE model – an internal approvals process governing the development of new products and projects – and requires documented assessment at the development phase of the life-long sustainability impact of new products and projects.

The GATE model requires the application of life cycle assessment and advice on how to reduce the use of restricted materials. It is planned to ensure they also cover occupational health and safety and supply management issues relating to the product or project.

See under "product stewardship" on page 7 for more information on the GATE model.

### 3.14 Use of externally developed charters and principles

ABB subscribes to externally developed charters and principles for sustainability management. They include the ICC Business Charter for Sustainable Development which ABB signed in 1992, and ISO 14000 standards and technical reports.

ABB has adopted ISO 14001 for environmental management systems; ISO/TR 14025 for environmental product declarations; ISO 14040-45 for Life Cycle Assessment; and ISO 19011 for environmental auditing of organizations.

ABB has incorporated the principles of OHSAS 18001, the ILO guidelines on occupational health and safety management systems, and the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases into its health and safety program.

ABB facilities are encouraged to produce integrated management systems for environment, quality and occupational health and safety. Most sites now use integrated systems, some of which have been externally certified.

**EMS to cover all employees**

ABB is extending environmental management systems to cover employees in non-manufacturing facilities. The target is to introduce systems into all of ABB's non-manufacturing facilities during 2004.

By the end of 2003, 397 out of 410 manufacturing and service sites had implemented the ISO 14001 standard.

**Social management**

An executive committee member is responsible for sustainability affairs throughout the group and for the worldwide implementation of ABB's social policy. Under his leadership, there was a strong focus in 2003 on health and safety performance and on developing a "people strategy" for the group encompassing the labor principles of the social policy. Social management within the supply chain has been integrated through ABB's supplier qualification procedure.

Business ethics compliance programs continued throughout the year, targeting employees involved in business transactions. Stakeholder dialogues were conducted in 19 out of 48 countries to guide ABB's role in society.

In 2004, Amnesty International will start training ABB managers on human rights issues, while a working team will address the broader issues of equality of opportunity and encourage the promotion of women and minority groups to positions of greater responsibility.

**Occupational health and safety**

ABB has developed its own occupational health and safety management system, based on the internationally recognized OHSAS 18001 standard and the ILO Guidelines on Occupational Health and Safety Management Systems. ABB has set a goal for all business units to implement the ABB OHS management system by the end of 2004. This will cover all activities including manufacturing, office work, construction projects and service.

**3.15 Principal memberships in industry and business associations**

Listed below are some of the principal associations and initiatives with which ABB is involved in the area of sustainability.

- Business for Social Responsibility (BSR), U.S.
- Chalmers University of Technology, CPM, Sweden
- Global Village Energy Partnership, U.S.
- Global Reporting Initiative, Netherlands

- International Organization for Standardization, ISO, Switzerland
- oikos International, Switzerland
- Pew Center on Global Climate Change, U.S.
- SustainAbility, U.K.
- Transparency International, Germany
- United Nations Global Compact, U.S.
- World Business Council for Sustainable Development, Switzerland
- World Energy Council, U.K.
- World Wide Fund for Nature, WWF, Switzerland
- CSR Europe, Belgium

See page 24 for more details concerning these memberships.

**3.16 Policies for managing upstream and downstream impacts EMS in the supply chain**

ABB's environmental management principles also apply to its main suppliers. ABB favors suppliers who are committed to improving their environmental performance continuously and are certified to ISO 14001 or its equivalent.

**Product stewardship**

To assess and continually improve the sustainability performance of new products, ABB applies its GATE model for all product development. The model contains steps in which sustainability performance, objectives and other parameters are assessed. For example:

Gate 0 (go ahead): assesses sustainability criteria required of a new product, taking into account existing product lines

Gate 1 (definition): identifies sustainability aspects and related objectives

Gate 2 (planning): establishes a sustainability plan to define necessary actions, responsibilities and reporting lines, taking into account life cycle assessment, restricted materials list and recycling information

Gate 3 – 5 (execution): follows up and reports on the sustainability plan

Gate 6 (hand over): hands over documents necessary for sustainability management of the product over its life cycle

Gate 7 (follow up): uses GATE model documentation to improve the product development process

**3.17 Management of indirect impacts**

See under environmental and social performance on pages 14–22 for information on the indirect impacts resulting from our activities.

**3.18 Major changes in operations**

See indicator 2.14, page 3, for details.



# Policies and management systems

## 3.19 Programs and procedures related to sustainability performance

### Priority and target setting

- A goal has been set for all businesses to implement the ABB occupational health and safety management system by the end of 2004
- A new objective is to apply the ISO 14001 principles to all employees
- The objective to reduce energy use continues
- The restricted materials list supports our objective to avoid using materials that may be harmful to the environment

### Programs for performance improvement

- Based on our priorities and objectives, all country sustainability controllers have developed country-specific business plans to implement our sustainability priorities and objectives during 2004
- The sustainability affairs team in group headquarters is responsible for the regular review of these business plans

### Sustainability costs

ABB limits the accounting of sustainability to the costs of implementing and maintaining environmental management systems to ISO 14001, health and safety management systems to ISO 18001, and running the sustainability network, including personnel costs and the cost of developing sustainability tools, education and training.

This does not include costs related to improvement projects. For example, the decision to invest in a new manufacturing process is the result of integrating many decisions in addition to environmental considerations.

Sustainability network	\$ thousands	
	2003	2002
Group level	1,450*	1,360
Country level	4,323	3,950
Site level	3,783	3,810

\* For 2003, corporate research's directly related sustainability costs have been included.

## 3.20 Status of certification

### Internal communication and training

The network of country sustainability controllers, country and local health and safety advisors, and local sustainability officers communicates sustainability priorities and goals internally, and identifies sustainability training needs. During 2003, training focused on the principles, strategy and management of health and safety management within the group.

### Performance monitoring

Sustainability performance is monitored by an internal reporting system.

Local sustainability officers report on environmental performance in an annual report comprising approximately 75 environmental indicators.

Country sustainability controllers report on social performance, and country health and safety advisors report on occupational health and safety performance in an annual report comprising approximately 40 social indicators.

The executive committee issued a directive in 2003 which requires any fatal or serious accident within ABB's jurisdiction to be reported to the chief executive officer and other company officers within 24 hours, and the cause of the accident to be determined in an investigation.

Country	Sustainability controller	Environmental specialist	2003 "ISO" sites
Argentina	Justo Gonzales Litardo		3
Australia/ New Zealand	Peter Kinsey		21
Austria	Arnd Schneider		0
Benelux	Bart Maes		7
Brazil	Carlos-Roberto Hohl	Manoel Siqueira	4
Canada	Raymond Beaulieu	Grazyna A Momot	7
China	Paul Chan	ShiWen Zheng	18
Colombia	Albert Tibavizco		2
Czech Republic	Frantisek Dobes		3
Denmark	Jan F Relster		6
Egypt	Said Ismail		4
Estonia	Liis Raidma		4
Finland	Sakari Hakkarainen		27
France	Valérie Rimonteil		8
Germany	Udo Weis	Lothar Kinzig	36
Greece	Tonia Petrovits		2
Gulf region	Gary Foote		5
Hungary	Zsolt Horváth		1
India	Sanjeev Nagpal		8
Indonesia	Vacant		0
Ireland	Tom O'Reilly		4
Italy	Antonio Giacomucci	Gianluca Donato	20
Japan	Masaru Uetsuka		2
Latvia	Laila Klavina		2
Lithuania	Ineta Mensikovaite		0
Malaysia	Urs von Wartburg		1
Mexico	David Maldonado		1
Norway	Nils Borstad		16
Peru	César Fernández		1
Philippines	Vacant		0
Poland	Andrzej Brzozowski		10
Portugal	Joao Oliveira		1
Romania	Rares Lutia		1
Russia	Alexander Burov		5
Saudi Arabia	Abdalkareem Alhooshan		1
Singapore	Emily Tan		3
South Africa	Clive Govender		7
South Korea	Kyeong-Hee Lee		1
Spain	Jose Vera		15
Sweden	Gunnel Wisén-Persson		69
Switzerland	Remo Kuery	Jakob Weber	25
Thailand	Pornchai Satheinsep		1
Turkey	Gulden Turktan		2
United Kingdom	John Watson		12
United States	David Onuscheck	Clair Claiborne	29
Venezuela	Andrea Greselin		2
		<b>Total</b>	<b>397</b>

## Internal and external auditing

Although it is not an ABB Group directive that all environmental management systems are externally verified, approximately 85 percent of ABB facilities have appointed an accredited certification body to verify regularly how well they meet ISO 14001 standards.

Based on acquiring more than 500 certificates over a period of almost ten years, we believe the benefits of external verification far outweigh the cost for most facilities. The process can, for example, help identify projects that may improve environmental performance and reduce cost at the same time. External verification also helps keep the internal system up to date and informs us of new legislation.

In addition, ABB's Sustainability review is verified by Det Norske Veritas (DNV), an independent verification body. The DNV audit includes verification of reports and indicators, and focuses on the Global Reporting Initiative guidelines for reporting on sustainability.

Country sustainability controllers also perform regular audits of sustainability performance at ABB sites. In general, every site is audited at least every third year.

To support the implementation of ABB's health and safety strategy, a system of internal compliance audits is being established.

## Senior management review and governance

ABB's executive committee has established a top-level health and safety committee, chaired by the executive committee member responsible for sustainability affairs, to direct and monitor health and safety performance throughout the group. The other members of this committee are the two business division heads, who are also executive committee members, the head of the group function for sustainability affairs and his health and safety appointee, and a representative of the group function for corporate communications.

ABB's executive committee members, when discharging their stewardship duties on the boards of ABB's subsidiary companies, are charged with addressing the sustainability performance of these companies in the areas of health and safety, environmental performance and corporate social responsibility. The latter covers stakeholder dialogue, community involvement and human rights issues.

The head of ABB's sustainability affairs organization reports on the group's sustainability performance regularly to the executive committee member responsible for sustainability affairs.

## Business ethics

### Policy

Principle 13 of ABB's social policy commits ABB to uphold high standards in business ethics and to support the efforts of national and international authorities to establish and enforce high ethical standards for all businesses.

The ABB Group subscribes to the basic principles in the International Chamber of Commerce (ICC) Rules of Conduct, 1999 edition, and the Organization for Economic Cooperation and Development (OECD) Convention from 1997, as well as the U.S. Foreign Corrupt Practices Act, 1977.

ABB's policy on business ethics belongs to the company's core set of values and guiding principles. It is incorporated in ABB's business ethics standards, which set a "zero tolerance" ruling on non-compliance.

In implementing this policy, ABB management and employees:

- Recognize that ethical and economic values are interdependent, and that high business ethics and integrity ensure ABB's market credibility
- Insist on honesty and fairness in all aspects of their business and expect the same from their partners

- Ensure all ABB business transactions are fully and fairly recorded according to the company's accounting principles
- Undergo continuous training and awareness-raising sessions on how to handle ethical issues, and provide timely advice and guidance
- Apply a "zero tolerance" policy regarding compliance issues to ensure strict adherence to local and international laws and regulations, as well as to ABB Group ethical standards
- Regularly monitor ethical conduct and ensure that accessible systems are in place for employees or others to report potential violations

## Global compliance support network

ABB's board of directors and executive committee have designated the group function Legal and Compliance to implement and oversee business ethics within ABB and to manage a global network to ensure compliance.

Compliance officers and counselors have been appointed at group headquarters, together with the regional managers in specific regions, and in more than 50 countries to train, advise and monitor employees in all parts of the organization. In addition, ethical coordinators have been established in the business divisions to identify critical issues and develop programs to address them. Another section covering lenders and export credit agencies (ECAs) has been added to the business ethics policy. Specially trained ECA compliance officers are responsible for overseeing and certifying all necessary disclosures in this area.

This global network distributes information and guidance, fosters internal dialogue, and supports ethical education and training. During 2003, ABB continued a rigorous program throughout the group to promote its business ethics policy and ensure compliance. In the last few years, such training programs have covered almost 100 percent of employees directly involved in business transactions, while awareness has been raised among almost all other employees.

In addition, a special training program is conducted each year to address selected important issues. The participants are those people most likely to face such issues.

## Access for employees

Employees have access via the group's global intranet to information, guidelines, documents, forms and useful agreements covering all aspects of the business ethics compliance program.

## Help lines

Also provided are 24-hour response helpdesks and details of the compliance counselor network to facilitate consultation or questions. In addition to the Legal and Compliance team help line at group headquarters, there are help lines to units in almost every country and region which are working to accommodate national sensitivities. In some countries, for example, communications are strictly anonymous, whereas in others they must go through trusted confidants.

## External liaisons

ABB is a group contributor and donor to Transparency International, the coalition against corruption. The ABB Group also liaises with the Basel Institute on Governance, and for several years has cooperated with the Center for Business Ethics in Konstanz, Germany.

## Anti-bribery business principles

At the World Economic Forum's annual meeting in January 2004 in Davos, Switzerland, ABB was one of ten international companies to sign a set of "Business Principles for Countering Bribery in the Engineering and Construction Industry." These principles have been developed by a multinational task force of engineering and construction companies, including ABB, working with the World Economic Forum, Transparency International and the Basel Institute on Governance.

# ABB's sustainability policies

## ABB's new environmental policy

ABB's previous environmental policy was introduced in 1992. Although we are an acknowledged industry leader in this field, changing times and new challenges require an updated policy that restates certain commitments and focuses more closely on particular areas.

In 2003, ABB began the process to update its environmental policy and it was confirmed by the executive committee in January 2004. The policy strengthens the management of environmental issues throughout the life cycle of ABB products – from suppliers and contractors, through the customers' use of our products, to their eventual disposal and recycling at the end of their useful life.

A key statement in the new policy recognizes environmental management as one of our highest business priorities and incorporates sustainability in all our strategies, processes and day-to-day business throughout the group. We are committed to developing resource-efficient products and systems and to conducting ongoing dialogue with customers to help them select the most environmentally friendly systems and solutions.

ABB is committed to strengthening environmental management in the following nine areas to continually improve the performance and leadership it has achieved in this area in the last decade.

1. To conduct our operations in an environmentally sound manner by applying environmental management systems, such as ISO 14001, in all our operations and by applying environmental principles, such as commitment to continual improvement, legal compliance and awareness training of employees, in all our operations worldwide.
2. To promote environmental responsibility along the value chain by encouraging suppliers, sub-contractors and customers to adopt international environmental standards.
3. To develop our manufacturing processes with a focus on energy and resource efficiency.
4. To conduct regular audits of our facilities' environmental performance, including facilities involved in acquisitions, divestments and mergers.
5. To transfer eco-efficient technologies to developing countries.
6. To develop and market products and systems which are resource efficient and facilitate use of renewable energy sources.
7. To declare the environmental performance of our core products by publishing environmental product declarations based on life cycle assessment.
8. To include environmental aspects in the risk assessment of major customer projects.
9. To ensure transparency by producing an annual Sustainability review, based on Global Reporting Initiative (GRI) requirements, which is independently verified.

## ABB's social policy

As an active participant in society, through our business activities and their economic, environmental and social impact, ABB recognizes social performance as a key to sustainable development. Along with our aim of making a positive contribution, economically and environmentally, we see social performance as the third dimension of sustainability.

ABB's social policy was introduced in 2000, and is applicable to areas that ABB can directly influence. It draws on five sources: the United Nations Universal Declaration of Human Rights, the International Labor Organization's fundamental principles on rights at work, the Organisation for Economic Cooperation and Development's Guidelines for Multinational Enterprises, the Global Sullivan Principles, and the Social Accountability 8000 (SA 8000) standard, an auditable standard for the protection of workers' rights.

We engage in stakeholder review and consultations on this policy to ensure it is continuously improved. Our policy aims:

### 1. ABB in society

To contribute within the scope of our capabilities to improving economic, environmental and social conditions through open dialogue with stakeholders and through active participation in common efforts.

### 2. Human rights

To support and respect the protection of internationally proclaimed human rights. Employees and contractors engaged as security personnel shall observe international human rights norms in their work.

### 3. Children and young workers

To ensure that minors are properly protected; and as a fundamental principle, not to employ children or support the use of child labor, except as part of government-approved youth training schemes (such as work-experience programs).

### 4. Freedom of engagement

To require that all employees enter into employment with the company of their own free will; and not to apply any coercion when engaging employees or support any form of forced or compulsory labor.

### 5. Health and safety

To provide a safe and healthy working environment at all sites and facilities and to take adequate steps to prevent accidents and injury to health arising from the course of work by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

### 6. Employee consultation and communication

To facilitate regular consultation with all employees to address areas of concern.

To respect the right of all personnel to form and join trade unions of their choice and to bargain collectively.

To ensure that employee representatives are not the subject of discrimination and that such representatives have access to their members in the workplace.

To ensure, in any case of major layoffs, that a social benefits and guidance plan is in place, and already known to employees or their official representatives.

## 7. Equality of opportunity

To offer equality of opportunity to all employees and not to engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on ethnic or national origin, caste, religion, disability, sex, age, sexual orientation, union membership, or political affiliation.

## 8. Harassment and disciplinary practices

To oppose the use of mental or physical coercion, verbal abuse or corporal/hard-labor punishment; and not to allow behavior, including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative.

To develop and maintain equitable procedures to deal with employee grievances and disciplinary practices.

## 9. Working hours

To comply with applicable laws and industry standards on working hours, including overtime.

## 10. Compensation

To ensure that wages paid meet or exceed the legal or industry minimum standards, and are always sufficient to meet the basic needs of personnel and to provide some discretionary income.

To ensure that wage and benefits composition are detailed clearly and regularly for workers, and that compensation is rendered in full compliance with all applicable laws and in a manner convenient to workers.

To ensure that labor-only contracting arrangements and apprenticeship schemes are undertaken in full compliance with ABB's obligations under applicable laws pertaining to labor and social security legislation and regulations.

## 11. Suppliers

To establish and maintain appropriate procedures to evaluate and select major suppliers and subcontractors on their ability to meet the requirements of ABB's social policy and principles, and to maintain reasonable evidence that these requirements are continuing to be met.

## 12. Community involvement

To promote and participate in community engagement activities that actively foster economic, environmental, social and educational development, as part of ABB's commitment to the communities where it operates.

## 13. Business ethics

To uphold the highest standards of business ethics and integrity and to support efforts of national and international authorities to establish and enforce high ethical standards for all businesses.

## ABB's health and safety policy

To provide a healthy and safe working environment at all sites and facilities and to take adequate steps to prevent accidents and injury to health arising from the course of work by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Eight health and safety "expectations" support the policy and comprise the framework of the health and safety culture we are pursuing in ABB.

1. Leadership and accountability – clearly defined responsibilities, resources, and accountability for managers.
2. Managing health and safety risks – at every stage of project, service or manufacturing life cycle, where meeting national and international standards is the minimum requirement.
3. Demonstrating health and safety competence so that all managers, employees, safety advisors and contractors know their responsibilities and have the training and experience to carry them out.
4. Ensuring safe contractors and business partners by selecting contractors and suppliers that perform to ABB's health and safety requirements.
5. Ensuring health and safety is integrated into the processes for managing change, both globally and locally.
6. Ensuring a crisis and emergency management system is in place.
7. Ensuring accident analysis and prevention is in place.
8. Routine review of health and safety performance by managers, supported by a reporting process.

## ABB's business ethics policy

To uphold high standards of business ethics and to support efforts of national and international authorities to establish and enforce high ethical standards for all businesses.

ABB's policy on business ethics belongs to the company's core set of values and guiding principles. It is incorporated in ABB's Business Ethics Standards, which set a "zero tolerance" ruling on non-compliance.

The ABB Group subscribes to the basic principles in the International Chamber of Commerce (ICC) Rules of Conduct, 1999 revised edition, and the OECD Convention from 1997, as well as the U.S. Foreign Corrupt Practices Act, 1977.

# Economic performance

## Core divisions post strong results

### **ABB's core divisions, Power Technologies and Automation Technologies, produced strong results in 2003, delivering significantly higher earnings before interest and taxes (EBIT) and cash flow.**

The two divisions exceeded their annual EBIT targets.

Power Technologies reported an EBIT margin of 7.3 percent (target: 7.0 percent) while Automation Technologies reported a margin of 7.8 percent (target: 7.1 percent).

The group's net loss was mainly the result of non-cash losses due to actions undertaken to put non-core and discontinued operations in order.

ABB strengthened its capital structure in the fourth quarter of 2003 and secured its liquidity needs through to 2006 with a \$2.5-billion rights offering, a €650-million straight bond, and a \$1-billion unsecured and undrawn bank facility. The company also repaid and cancelled its previous \$1.5-billion secured bank facility. Shareholders' equity increased to \$3,026 million at the end of the year from \$1,013 million at the end of December 2002.

The group also continued its program of divesting non-core businesses and other assets and using the proceeds to strengthen the balance sheet and pay down debt.

Driving operational improvements further and finalizing the divestment program will be ABB's priorities in 2004.

ABB implemented its Step change program to cut its cost base by \$900 million by mid-2004. In the first full year – 2003 – it produced savings of \$655 million, ahead of target.

The number of ABB employees decreased from 139,000 to 116,500 during 2003. The majority of employees leaving ABB were transferred to other companies as a result of the divestments. The Step change program cut approximately 7,100 jobs.

Labor productivity, measured as revenue per employee (excluding the businesses which are discontinued), increased sharply from \$137,400 in 2002 to \$178,300 in 2003.

On the asbestos issue, on July 31, 2003, a U.S. district court approved a pre-packaged Chapter 11 protection plan filed earlier in the year by ABB's U.S. subsidiary, Combustion Engineering, marking further progress towards a settlement of the issue. Following the court's approval, an appeals period began before the U.S. 3rd Circuit Court of Appeals. All documentation was received by the court on October 7. A hearing date was set for February 4, 2004 but was postponed. The company is currently waiting for a new date and remains confident that the plan will be approved.

Underlining the central importance of technology to the company, ABB invested \$613 million in research and development and \$317 million in order-related development totaling \$930 million in 2003, which represents 4.9 percent of revenues compared to a total of \$795 million in 2002, or 4.6 percent of revenues.

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#### **Targets\***

- Revenues: four percent annual average growth in local currencies 2002–2005
- EBIT margin: eight percent in U.S. dollars by 2005
- Total debt: \$4 billion by year-end 2005
- Gearing ratio (total debt divided by total debt plus stockholders' equity including minority interest): 50 percent in 2005
- Lower cost base by \$900 million by mid-2004

\* Revenue and margin targets exclude major acquisitions, divestments and business closures.

### Monetary flow between ABB and key stakeholders (unaudited):

\$ million	2003	%
Total revenues	18,795	
Cost of inputs	(11,841)	
Depreciation and amortization	(577)	
Benefit of stakeholders	6,291	100
Employees	(5,721)	(91)
Governments (tax)	(78)	(1)
Shareholders of group shares (listed)	0	0
Minority shareholders	(82)	(1)
Creditors	(410)	(7)
Retained in the business	86	1

See also page 21; SO1 policies to manage impacts on communities. ABB donated some \$4.5 million to community projects.

All figures in \$ millions unless otherwise stated.

	2003	2002 restated	2001 restated
Total revenues	18,795	17,466	18,334
Gross profit (revenues less cost of sales)	4,715	4,399	4,795
Gross margin (%)	25.1	25.2	26.2
EBIT	656	346	517
Net income (loss)	(767)	(783)	(729)
Dividends (CHF millions)	0	0	0
Dividends per share (CHF)	0	0	0
Net operating assets/revenues (%)	51.5	56.3	51.7

### Revenues by region

	2003	2002 restated	2001 restated
Europe	10,332	9,739	10,368
The Americas	3,572	3,834	4,346
Asia	3,346	2,587	2,420
Middle East and Africa	1,545	1,306	1,200

### Assets

	2003	2002 restated	2001 restated
Total assets	30,413	29,533	32,305
Of which goodwill and other intangible assets, net	2,880	2,808	2,693

### Investments

	2003	2002 restated	2001 restated
Research and development expense	613	547	590
Order-related development expenditures	317	248	404
Capital expenditure, excluding purchased intangible assets	399	436	551
Net debt position	(2,745)	(5,003)	(6,160)
Gearing	70%	86%	82%

### Procurement

	2003	2002 restated	2001 restated
Total value of goods and services (unaudited)	6,700	8,200	–

### Labor productivity

\$ thousands	2003	2002 restated	2001 restated
Revenue per employee	178.3	137.4	127.9

### Taxes

	2003	2002 restated	2001 restated
Tax expense from continuing operations	78	74	87

### Number of employees

	2003	2002 restated	2001 restated
Number of employees	116,464	139,051	156,865

# Environmental performance

## Overview

The sustainability report relates to all employees working in premises owned or leased by ABB. It does not cover our clients' sites.

For the second successive year we have covered all employees in the scope of the report, including employees in our non-manufacturing organizations in countries that do not presently have a network of sustainability controllers. By nature, these non-manufacturing sites have only limited environmental impact, and we have estimated the levels of their main environmental indicators such as the use of electricity, district heating and water consumption per person. These estimates are based on data from comparable premises and relate to about 19 percent of employees. When we have used an estimate, it is stated in the text.

The remaining 81 percent is based on data collected year-on-year from more than 400 sites, mainly manufacturing and service organizations, consolidated from 349 separate reports.

Some of the GRI indicators, such as the amount of materials used, are virtually impossible to answer for a global company manufacturing a wide range of products in many different sites and sourcing millions of different materials and components globally and locally.

Nevertheless, over the last three years we have steadily expanded our data collection system to cover more of the GRI indicators. This year, for example, we have expanded the biodiversity section to cover such matters more fully.

## Materials

### EN1 Total materials consumption

The main materials used in ABB's products by weight are steel, sheet metal, copper, aluminum, mineral oil and various plastics. ABB's diverse range of standard products and the fact that many products are made to customer specifications means that aggregate reporting of materials consumption is not meaningful. ABB's corporate objective is to minimize the materials and substances used per product, especially those included in the group's list of materials which are restricted or under observation.

In the following tables, we list some monitored materials and substances used by ABB to make products, or by suppliers working to ABB's specifications.

### Organic substances used in production (tons)

	2003	2002	2001
PVC resin – cables and molding	1,119	1,084	1,043
Phthalates (DEHP, DOP) – softener for PVC	0	0	28
Phthalates (DIDP) – softener for PVC	9*	14	7
PBB and PBDE – flame retardants in plastics	103	104	n.acc.
Fungicides – control of water fungi	2.5	4.8	3.5
Polyurethane – coating, paints, adhesives	909	819	927
Epoxy (low molecular) – molded parts	300	296	424
Epoxy (high molecular) – coating, paints, adhesives	1,428**	941	1,114

\* Reduction due to change in production mix.

\*\* Increase due to raised production volumes.

### Metals and inorganic substances (tons)

	2003	2002	2001
Lead			
Submarine cables	2,967*	977	1,500
Other products, e.g. counterweights in robots	222	640	2,037
Cadmium			
Rechargeable batteries	1.7	2.1	2
Industrial batteries delivered to customers	0	40	n.acc.
In lead alloy	2.6*	1	3
Mercury			
In products delivered to customers	0.020	0.017	0.027
SF <sub>6</sub> insulation gas (inflow to ABB facilities from gas suppliers)	395	374	457
SF <sub>6</sub> insulation gas (outflow to customers)	319	358	403

\* Increase due to raised production volumes.

### Use of hazardous material

ABB follows or, in some countries, exceeds the standard definitions of hazardous materials and substances set by international agreements.

One of ABB's corporate objectives is to phase out the use of hazardous substances. Priorities for replacement depend upon the environmental safety and technical acceptability of alternatives; the risk of the substance escaping into the environment; how hazardous the substance is; and whether ABB or its customers can still use the substance under strict control.

### Products in use containing hazardous organic substances

	2003	2002	2001
No. of transformers with PCB oil	39*	38	64
No. of capacitors with PCB oil	2,329**	3,003	3,056
Mercury in measuring instruments for gas analysis of transformer oil (kg)	15	28	n.acc.

\* Increase due to adoption of lower PCB-content threshold.

\*\* Reduction due to ongoing decommissioning program.

### Typical substances and materials which ABB is phasing out

Chloroparaffin <C14 – C17 – as a cutting fluid  
 Chloroparaffin <C14 – as a softener/flame retardant  
 Insecticides – for control of insects  
 Nonylphenoletoxylate – as a degreasing agent  
 Volatile Organic Compound Chlorinated (VOC-Cl) – in degreasing processes  
 Cadmium – Cadmium oxide (CdO) for plating on contactors  
 Cadmium (Cd) – in non-industrial rechargeable batteries  
 Lead (Pb) – in counterweights for robots and in soldering wire  
 Organic lead – as a stabilizer in plastics  
 Lead – in paints  
 Mercury – in analytic instruments  
 Polychlorinated Biphenyl (PCB) – in transformers and capacitors (i.e. those still in operation)

### EN2 Percentage of waste materials used from external sources

The lead used as counterweights for robots, 222 tons, and the 40 tons of cadmium used in industrial batteries in 2002, are recycled by external sources.

### Energy

#### EN3 Direct energy use (Gigawatthours – GWh)

	2003	2002	2001
Primary fuel			
Oil (9.96 MWh/m <sup>3</sup> )	138	151	165
Coal (7.56 MWh/ton)	15	22	24
Gas	494	543	624
District heat	238*	395	318
Electricity	1,311*	1,744	1,242
Total energy used	2,196	2,855	2,373
Megawatthours (MWh) per employee	21**	21	20

\* For 19 percent of employees, the figures include an estimation based on the use of 3 MWh/employee for district heat and 12 MWh/employee for electricity.

\*\* The absolute values for all types of energy consumed have been reduced, due to improvement projects targeted at the use of energy, as well as divestments of some businesses. But, owing to the reduction in total employees in 2003, the consumption per employee remains the same as last year.

Due to a heterogeneous product mix and the fact that most of our products are made to customer specifications, we do not report energy consumption per unit of production. Instead, we monitor the use of energy per employee.

### EN4 Indirect energy use (Gigawatthours – GWh)

	Use by ABB		Losses at utilities		Total use of energy	
	2003	2002	2003	2002	2003	2002
District heat	238*	395	36	62	274	457
Electricity	1,311*	1,744	1,811	2,408	3,122	4,152

(District heat and electricity are the main categories of indirect energy used by ABB).

\*Includes an estimation covering 19 percent of employees (see under energy use).

Indirect energy use is defined in this table as the energy losses incurred by the utilities in supplying ABB with the energy we consume. For example, to supply ABB with 238 GWh of useable district heating, the utilities consume 274 GWh of energy, incurring losses of 36 GWh. This provides a measure of the utilities' efficiency in providing ABB with useable energy – 13 percent lost for district heating, and 58 percent lost for the supply of useful electricity.

### EN17 Initiatives to use renewable energy

Most ABB facilities are bound to the energy mix supplied by local utilities. In countries where utilities offer "green energy," ABB's objective is to increase the amount of renewable energy it buys.

### EN18 Energy consumption footprint of major products

ABB publishes environmental product declarations (EPDs) for a growing number of core products. An EPD is a standardized tool, meeting the requirements of ISO/TR 14025, to communicate the environmental performance of a product or system over its life cycle, and is a recognized worldwide reference for all interested parties.

To date, almost 50 EPDs have been published. They can be found on the sustainability pages of ABB's Web site: [www.abb.com/sustainability](http://www.abb.com/sustainability)

An EPD is based on a formal life cycle assessment (LCA), providing information on the environmental impacts such as raw material acquisition, energy use and efficiency, content of materials and substances, emissions and waste generation. It also includes product and company information.

For an ABB product that needs energy to operate, by far the greatest environmental impacts are caused during its operating life rather than during its manufacture, as a result of the energy it consumes. These impacts are presented in the EPD as measures of contributions that the product makes to known environmental phenomena, such as global warming, ozone depletion, etc., as shown in the table below for a typical low-voltage AC drive.

	% from manufacturing	% from use
Global warming	0.84	99.16
Acidification	1.28	98.72
Ozone depletion	1.03	98.97
Eutrophication	2.12	97.88

# Environmental performance

## EN19 Other indirect energy use

### a) Travel as percent of total number of journeys

	Road		Rail		Air	
	2003	2002	2003	2002	2003	2002
Business traveling	53	55	10	9	37	36

ABB is not yet in a position to obtain figures of the distances covered by business travel. In the meantime, we are reporting above on the estimated percentage of use by ABB of different available modes of transport.

### b) Use of energy-intensive materials

For the reasons already given, ABB does not account for the total amount of materials used. The most energy intensive materials we use are: aluminum (284 megajoules per kilogram – MJ/kg), copper (128 MJ/kg) and steel (28 MJ/kg).

### c) Life cycle management manufacturing

ABB's objective is to recycle as much self-generated scrap as possible, and all major ABB products come with recycling instructions to facilitate their efficient disposal at the end of their useful life.

### Scrap sent for recycling or energy recovery (tons)

	2003	2002	2001
Solid	80,085	85,751	106,998
Liquid	4,805	5,746	2,615

## Water

### EN5 Water consumption (kilotons)

	2003	2002	2001
Purchased from water companies	3,603*	4,469	5,390
Extracted by ABB			
ground water	1,921	n.acc.	n.acc.
surface water	850	n.acc.	n.acc.
Total consumption of water	6,374	n.acc.	n.acc.

\* The figure includes an estimate of ten tons/year/employee for approximately 19 percent of all employees.

### EN20 Water sources significantly affected by use of water

ABB's manufacturing processes do not use significant amounts of water. Extracted ground and surface water is used mainly for cooling purposes. Almost all of the cooling water is discharged without any added contamination.

### EN21 Annual withdrawals of ground and surface water

See EN5 and EN20.

### EN22 Recycling and reuse of water

The amount of water in closed loop processes is approximately 60,000 tons. The water is mainly used in cooling systems and for surface treatment processes.

## Biodiversity

### EN6 Land owned, leased or managed in biodiversity-rich habitats

ABB's manufacturing units are not located in areas with biodiversity-rich habitats, as defined in IUCN Protected Areas Categories 1 – 4, world heritage sites or biosphere reserves.

### EN23 Total amount of land owned, leased or managed for production activities (square meters)

	2003
Land occupied by buildings	approx. 7 million
Total land area	approx. 18 million

## Emissions

### EN8 Greenhouse gases (kilotons)

	2003	2002	2001
CO <sub>2</sub> from use of energy	890*	1,172	910
SF <sub>6</sub> (in CO <sub>2</sub> equivalents)	229	257	501

\* Includes an estimate for the energy used by 19 percent of employees. The estimate is based on the use of 3 MWh per employee for district heat and 12 MWh per employee for electricity.

Carbon dioxide (CO<sub>2</sub>) emissions calculations are based on in-house energy use for production, lighting, heating and air-conditioning, and include indirect emissions at utilities where ABB buys power. Sulfur hexafluoride (SF<sub>6</sub>) emissions are estimated to be equivalent to three percent of all SF<sub>6</sub> gas used by ABB. The CO<sub>2</sub> equivalent for SF<sub>6</sub> is 23,900.

### EN9 Ozone-depleting substances (tons)

	2003	2002	2001
CFC class II*			
Filled in customer products	0.4**	12	25
Contained in own manufacturing processes	2.6	4	7
Contained in equipment for AC of own buildings	9.8	8	10

\* Chlorofluorocarbon (CFC) class I is banned in ABB products.

\*\* Reduced by the divestment of air-handling equipment business.

All CFCs are handled according to procedures in each manufacturing site's environmental management program.

### Volatile organic compounds, VOC (tons)

	2003	2002	2001
VOC	724	946	1,204
VOC-Cl	31*	47	143

\* Reduced by the divestment of air-handling equipment business.

ABB uses water-borne paint as much as possible to further reduce VOC emissions.

As regards chlorinated volatile organic compounds (VOC-Cl), our objective is to eliminate all emissions to air.

The current reporting system does not distinguish between the various types of VOC and VOC-Cl. It is therefore not meaningful to convert the data into ethane equivalents. The major constituents of VOCs and VOC-Cl are xylene, thinner and perchloroethylene.

### EN10 Emission of NO<sub>x</sub> and SO<sub>x</sub> (kilotons SO<sub>2</sub> and NO<sub>2</sub>)

	2003	2002	2001
SO <sub>x</sub> from burning coal	11	16	n.acc.
SO <sub>x</sub> from burning oil	84	109	n.acc.
NO <sub>x</sub> from burning coal	8	12	n.acc.
NO <sub>x</sub> from burning oil	63	82	n.acc.
NO <sub>x</sub> from burning gas	107	137	n.acc.

These figures are for fossil fuels consumed in ABB premises for heating and process purposes. ABB is not yet in the position to also include such emission figures for the transportation of goods and people.

### EN30 Other indirect greenhouse gas emissions

Indirect emissions from traveling, transportation, manufacturing and emissions related to product use are not aggregated at group level. For core products however, the greenhouse gas emission throughout a product's life cycle is shown in the environmental product declarations (published on [www.abb.com/sustainability](http://www.abb.com/sustainability)).

### EN11 Waste

#### a) Hazardous wastes sent for disposal (tons)

	2003	2002	2001
Oil	1,387	2,212	n.acc.
PCB-contaminated oil and equipment	79	202	32
Sludge from paint booths	396	686	n.acc.
Wet paint	268	314	n.acc.
Volatile organic compounds	64	177	n.acc.
Others	1,997	2,789	n.acc.

#### b) Disposal methods for other non-hazardous wastes (percentage of waste quantity)

	Recycling		Incineration		Landfill		Other	
	2003	2002	2003	2002	2003	2002	2003	2002
Wood	53	55	23	20	15	19	9	6
Plastic	40	40	19	17	33	37	8	6
Paper	75	75	5	7	13	15	7	3

The main waste streams at ABB organizations are wood, plastic and paper. The figures above are local estimates. ABB's objective is to reduce the amount of waste sent to landfill and to increase, reuse and recycle materials. However, in some countries proper waste recycling programs are unavailable.

### EN12 Discharge of process water (percentage of ABB process plants)

	2003
Public sewer	75
Water sources	25

The above figures indicate the percentage of ABB process plants that discharge water to public sewers or to local water sources such as lakes or rivers. The water discharge to local water sources comes mainly from surface treatment plants, cooling water and test plants, and is returned without additional contamination.

### EN31 Transport of hazardous waste

ABB follows legal regulations to transport and dispose of hazardous waste only through officially authorized disposal agents.

### EN32 Water sources and related ecosystems significantly affected by discharges of water

ABB sites do not significantly affect water sources and related ecosystems or ground water.

### EN13 Spills and other incidents

ABB's environmental management program includes mechanisms for reporting incidents with potential environmental impact. During 2003, seven such incidents were reported. Five related to oil spills, one to a filter malfunction, and one to a malfunction of an oil separator.

### Transportation

#### EN34 Environmental impacts of transportation (percentage of transportation, by type)

	Road		Rail		Sea		Air	
	2003	2002	2003	2002	2003	2002	2003	2002
Materials from suppliers	76	78	4	5	9	8	11	9
Delivery of finished products	75	78	4	4	12	11	9	7

The figures above are local estimates. Most material from suppliers, as well as products from ABB to customers, are transported by road.

### Suppliers

#### EN33 Performance of suppliers

Major suppliers of materials and services, used directly in manufacturing ABB products, must undertake the following:

- Implement an environmental policy
- Identify the significant environmental aspects of manufacturing the products they supply to ABB
- Ensure that all operations and processes comply with environmental standards and legislation
- Have in place the basic elements for continuous improvement, in particular those with ISO 14001 certification

### Products and services

#### EN14 Significant environmental impacts of principal products and services

The environmental performance and impact of core products are presented in environmental product declarations, EPDs.

EPDs are produced in accordance with ISO/TR 14025, the international standard for product declarations.

### EN15 Percentage of ABB products reclaimable after use

ABB products contain mostly steel, copper, aluminum, oil and plastics. Approximately 90 percent of the material is reclaimable after the end of the products' useful life.

ABB's objective is to encourage recycling by designing the products to facilitate dismantling and to provide users with recycling instructions.

### Compliance

#### EN16 Fines for non-compliance with applicable legislations

No penalties for environmental infringements by ABB companies were reported during 2003.

# Social performance

## Overview

During 2003, ABB strongly focused on health and safety performance and on developing a "people strategy" encompassing the labor principles of ABB's social policy. An ABB executive committee member chairs a steering group responsible for supervising the group-wide implementation of the social policy.

Implementation of the 13 principles of the ABB social policy are covered by group function heads according to their areas of expertise. For example, health and safety is covered by the group function for sustainability affairs, business ethics by legal and compliance, ABB in society by corporate communications, suppliers by supply management, and labor principles by human resources.

ABB has developed its own occupational health and safety management system, based on the internationally recognized OHSAS 18001 standard and the International Labour Organization Guidelines on Occupational Health and Safety Management Systems. ABB has set a goal for all business units to implement the system by the end of 2004. This will cover all activities including manufacturing, office work, construction projects and service.

Social management within the supply chain has been integrated through ABB's supplier qualification procedure.

Business ethics compliance programs continued throughout the year, targeting all employees involved in business transactions. Stakeholder dialogues were conducted in 19 out of 48 countries to guide ABB's role in society.

In 2004, Amnesty International will start training ABB managers about human rights issues, while a working team will address the broader issues of equal opportunity, and encourage the promotion of women and minority groups to positions of greater responsibility.

The report on our social performance has been expanded to include more of the indicators proposed by the Global Reporting Initiative (GRI). The GRI reference numbers are shown against each indicator.

Items without reference numbers cover areas beyond the scope of the GRI which we reported last year, and which we again document in this latest report.

## Employment

### LA1 Breakdown of workforce (total numbers of ABB employees)

	2003	2002	2001
Europe	70,500	91,000	102,500
The Americas	19,000	24,500	27,000
Asia	15,500	16,000	16,500
Middle East and Africa	11,500	7,500	10,500
<b>Total</b>	<b>116,500</b>	<b>139,000</b>	<b>156,500</b>

### LA1 Numbers of part-time employees (included in above totals)\*

	2003	2002	2001
Europe	3,458	n.acc.	n.acc.
The Americas	147	n.acc.	n.acc.
Asia	212	n.acc.	n.acc.
Middle East and Africa	336	n.acc.	n.acc.
<b>Total</b>	<b>4,153</b>	<b>n.acc.</b>	<b>n.acc.</b>

\*This is the first year that we report these numbers. The figures for a few countries are not yet available.

In South Africa, one quarter of employees work part-time; in Austria 14 percent and in the Benelux countries ten percent. In most other countries more than 90 percent are full-time employed.

## Labor/management relations

### LA3 Percentage of employees represented by independent trade unions\*

	2003	2002	2001
Europe	57	n.acc.	n.acc.
The Americas	15	n.acc.	n.acc.
Asia	41	n.acc.	n.acc.
Middle East and Africa	2	n.acc.	n.acc.
<b>Total</b>	<b>46</b>	<b>n.acc.</b>	<b>n.acc.</b>

\* This is the first year that we report these figures. However, the figures for all countries are not yet available. We have also excluded countries where the trade unions are not considered to be independent.

## LA4 Information, consultation and negotiation with employees

Principle 6 of the social policy commits ABB to facilitate regular consultation with employees to address areas of concern, and to make sure in case of major layoffs that a social benefits and guidance plan is in place and is already known to employees or their official representatives.

All countries in ABB's sustainability management program were asked to confirm compliance and explain their procedures. A total of 34 out of 48 countries gave satisfactory answers. Various methods are adopted, including employee-management meetings, works council and trade union meetings, seminars, video conference events and intranet-based information forums.

## Health and safety

### LA5 Recording and notification of occupational accidents and diseases

Principle 5 of ABB's social policy commits ABB to provide a safe and healthy working environment at all sites.

All countries are required to report a fatality, serious injury or defined dangerous occurrence immediately to ABB's CEO, members of the executive committee and group function heads, and to conduct an investigation. They must also establish procedures for reporting and investigating per business all work-related accidents, lost days and occupational diseases, including work-related travel incidents.

The general principles of the ILO code of practice on recording and notification of occupational accidents and diseases have been followed in developing ABB's reporting and investigation process.

### LA6 Description of formal joint health and safety committees

Health and safety consultation is an integral part of ABB's commitment to introduce into all businesses the occupational health and safety management systems based on OHSAS 18001 and the ILO guidelines. The form of health and safety consultation with employees varies according to local requirements, and includes health and safety committees and employee forums.

### LA7 Standard injuries, lost days, absentee rates and fatalities

Employee figures are separated into work and travel related, detailed in the following tables.

The incident rate is calculated as the number of incidents divided by the total number of employees, multiplied by 1,000.

#### Work-related

Accident type	2003	2003	2002	2002
	Total	Incident rate		
Fatal	6	0.061	2	0.016
Serious injury	12	0.123	95	0.780
Lost days	34,212	350	46,504	380

#### Commuting and business travel-related

Accident type	2003	2003	2002	2002
	Total	Incident rate		
Fatal	5	0.051	1	0.008
Serious injury	9	0.092	13	0.110
Lost days	8,231	84	2,602	21

Figures per employee are calculated based on 122,387 in 2002 and 97,764 in 2003. The figures cover 43 countries.

It is highly regrettable that 17 people died as a result of ABB's activities in 2003. Six of them were ABB employees compared to two in 2002. In all cases detailed investigations were carried out and controls introduced to prevent a recurrence.

A total of three employees died in road traffic related accidents during 2003, and two employees died in a plane crash.

There were four fatal accidents to ABB contractors during 2003, compared to two in 2002.

Two members of the public died after being involved in road traffic accidents with ABB vehicles.

ABB has revised its health and safety strategy, designed to tackle the root causes of such accidents.

In 2003, there were 146 nationally-reportable occupational health diseases recorded among ABB employees.

A total of 16 ABB companies received nationally-recognized health and safety awards, highlighting ABB's strong performance in a number of areas.

In 2003, ABB moved towards the ILO recommendations for accident reporting as part of our commitment to the Global Reporting Initiative. As a result, the definition for serious injury has changed this year, giving lower figures for 2003.

The data collection systems that ABB has introduced need to be continually improved to achieve more reliability, particularly relating to construction projects.

### LA8 Policies or programs on HIV/AIDS

All countries in ABB's sustainability management program were asked to give details of their activities in this area. Four (Brazil, South Africa, South Korea and Thailand) out of 48 countries confirmed they had policies to address HIV/AIDS, and described their programs and initiatives. Several other countries referred to national programs.

### LA14 Compliance with the ILO Guidelines for Occupational Health Management Systems

ABB has set a goal for all business units to implement the ABB occupational health and safety management system by December 2004. The ABB system follows the principles of OHSAS 18001:1999, and the ILO Guidelines for Occupational Health Management Systems.

## Training and education

### LA9 Training and education

During 2003, figures for the average hours of organized "classroom" training per employee per year were reported from 48 countries. Figures, which exclude "on the job" training, from a random selection of countries are as follows:

Argentina	4
Italy	5
France	7
South Africa	8
Thailand	10
Switzerland	14
Malaysia	16
Denmark	20
Estonia	21
Egypt	25
Lithuania	34
Germany	48

This is the first year that we are reporting these figures. Our intention is to select other countries in future reports, so that all are reported over a four-year period. We report on the same countries in LA11 – composition of senior management.

# Social performance

## Diversity and opportunity

### LA10 Equal opportunity policies, programs and monitoring

Principle 7 of the social policy commits ABB to offer equal opportunities to all employees.

Several countries run regular programs targeted at specific groups. In historically male-dominated engineering companies like ABB women are in a minority, but the proportion of women employees is steadily increasing, particularly in professional functions such as communications, sustainability, financial controlling and research and development. In Germany, ABB has appointed a diversity manager whose duties include supporting women who pursue careers with the company.

During 2004, a working team at senior group level will address the broader issues of equal opportunity and encourage promotion of women and minority groups to positions of higher responsibility.

### LA11 Composition of senior management

ABB's Board of Directors comprises eight men of six nationalities.

The executive committee is made up of five men of four nationalities.

At the 2004 group executive forum, participants comprised 23 different nationalities.

Percentage figures of women in senior executive, senior and middle management ranks taken from the same countries randomly selected for LA9.

Denmark	0
Egypt	2
Germany	2
Thailand	3
Argentina	3
Italy	3
Malaysia	4
Switzerland	7
France	12
South Africa	16
Estonia	17
Lithuania	34

These figures relate to the top three levels of management in the countries and business areas. Our intention is to select other countries in future reports, so that all are reported over a four-year period.

## Strategy and management

### HR1 Policies, guidelines, procedures to deal with human rights in operations

Principle 2 of the social policy commits the group to support and respect the protection of internationally proclaimed human rights, including the United Nations Universal Declaration of Human Rights.

ABB and six other international companies launched the Business Leaders Initiative on Human Rights (BLIHR), aimed at further integrating human rights in business. The three-year initiative produced its first report in December 2003, and is opening a dialogue with a range of NGOs, academics, U.N. institutions and wider business networks to better understand and integrate human rights issues into day-to-day business.

### HR2 Consideration of human rights impacts as part of investment decisions

One of the performance indicators used in ABB's implementation guidelines for Principle 2 comprises a checklist to investigate human rights impacts as part of investment decisions in the country.

ABB maintains and reviews a list of countries where it has banned business operations because of unacceptable human rights records. For example, Myanmar remains on the list because of the poor human rights record of its military government, after review by the responsible ABB executive committee member in February 2004.

### HR3 Consideration of human rights impacts within the supply chain

Principle 11 of the social policy commits ABB to evaluate and select key suppliers and subcontractors on their ability to meet the requirements of ABB's social policy – including our human rights commitments in Principle 2.

ABB has incorporated social performance criteria, including human rights performance, into its suppliers' qualification process requirements. The human rights performance of key suppliers forms part of ABB's screening and auditing procedures.

ABB's frame agreements with repeat-order customers now incorporate a section which seeks to ensure their sustainability performance, whereby customers join with ABB in agreeing to comply with country-specific health and safety, environmental and labor standards.

### HR8 Employee training on policies and practices concerning human rights

ABB has signed a cooperation agreement with Amnesty International, which will begin a training program on human rights issues for senior corporate and country-level ABB managers in 2004.

Implementation of ABB's social policy will raise employee awareness of ABB's commitment and the role of management and employees in applying the principles of the policy. This includes support and respect for human rights.

## Non-discrimination

### HR4 Policies to promote non-discrimination in operations

Principle 7 of ABB's social policy obliges ABB not to engage in or support discrimination in any form throughout its operations.

## Freedom of association and collective bargaining

### HR5 Policies to facilitate freedom of association

Principle 6 of the social policy commits ABB to respect the right of all personnel to form and join trade unions of their choice and bargain collectively.

In countries where the law does not permit this right, Principle 6 obliges ABB to facilitate regular consultation with employees to address areas of concern.

## Child labor

### HR6 Policies to exclude child labor

Principle 3 of the social policy obliges the group to ensure that minors are protected and, as a basic principle, not to employ children or support the use of child labor.

ABB's focus is directed mainly at its supply chain by incorporating child labor criteria into its suppliers' qualification process requirements to ensure its key suppliers and contractors comply with the same principle.

## Forced and compulsory labor

### HR7 Policies to prevent forced and compulsory labor

Principle 4 of the social policy requires that all employees enter into employment with ABB of their own free will.

ABB's focus is again directed mainly at its supply chain by incorporating criteria into its suppliers' qualification process requirements to ensure its key suppliers and contractors comply with the same principle.

## Disciplinary practices

### HR9 Policies to facilitate disciplinary appeal practices

Principle 8 of the social policy commits ABB to develop and maintain equitable procedures to deal with employee grievances and disciplinary practices.

## Job satisfaction levels

Job satisfaction surveys were conducted in 2003 among ABB employees in 21 countries (out of 48). Positive reactions tended to be higher in emerging market countries. For example, in Russia up to 90 percent of employees confirmed full satisfaction, 65 percent in India and 62 percent in Hungary. Negative comments related to frequent restructuring and the salary freeze.

## ABB's ranking as an employer

In 2003, ABB was ranked as an employer of choice in surveys in 12 countries (out of 48). In China, ABB was ranked by Fortune China as one of the "Best ten companies to work for." In Finland, ABB was ranked second (for technical competence – up from fourth in 2002), fourth in Sweden (same as in 2002), fourth in Switzerland (down from first in 2002), seventh in Norway (for engineering and science – up from 18 in 2002), second in Poland (for electro-engineering and car industries) and as an employer of choice in Austria, Germany, India, Ireland, Italy and Spain.

## HR10 Non-retaliation policy and employee grievance system

In addition to Principle 8 of the social policy, which requires ABB to develop and maintain equitable procedures to deal with employee grievances, Principle 6 commits ABB to ensure that representatives of personnel are not subject to discrimination and have access to their members.

The countries are required to develop and maintain equitable procedures to comply with local regulations and practices.

## Security practices

### HR11 Human rights training for security personnel

For the first time in 2003, we asked all countries whether security staff receive training in the practice of human rights as part of their daily work. Out of 48 countries, 21 confirmed that training was given. ABB has now expanded Principle 2 of its social policy to include the responsibilities, conduct, training and supervision of security personnel in the practice of human rights.

## Indigenous rights

### HR12 Policies to address the needs of indigenous people

The needs of indigenous people are generally covered by Principle 7 of ABB's social policy, which obliges ABB to offer equality of opportunity to all employees and not to engage in or support discrimination in any form.

ABB has additional policies in several countries to address this issue. In South Africa, for example, ABB pursues an "Employment Equity" policy and a skills development policy for all employees who were disadvantaged before the 1994 elections, including women, blacks, Indians, coloreds and the disabled. In the Czech Republic and Italy, ABB has a policy of employing disabled people and favoring suppliers that do the same.

## HR14 Revenues redistributed to local communities

ABB in India has created a sustainability foundation, named ABB India Foundation, to plan and implement community development programs in deprived areas. The fund, which also includes employees' donations, is currently focusing on several projects to support educational needs close to ABB facilities and project sites. Some examples: ABB helped rebuild a school in Gujarat destroyed in an earthquake in 2001, and has adopted a school in Peenya, Bangalore, where – among other measures – it provides daily meals for the school's 750 children.

As part of a business deal with an environmentally conscious customer in Brazil, ABB is allocating a portion of sales revenues to support two local projects in the Amazonia region to enhance the survival of newborn turtles in the Xingu river, and to protect native and noble-wood trees in the rain forest area of the Amazon delta.

In Hungary, 1.5 percent of total annual salaries of ABB employees are distributed to secondary schools and universities.

## Community

### SO1 Policies to manage impacts on communities

Principle 12 of ABB's social policy commits ABB to promote and participate in community engagement activities that actively foster environmental, social, economic and educational development of the communities where it operates.

In 2003, ABB companies in 36 countries supported community development projects, donating some \$4.5 million in funding and 3,080 man-days of employee voluntary participation.

Several examples are described in the 2003 ABB Group Operational review. Other examples include a donation of \$190,000 for SARS relief in Beijing, Shanghai and Chongqing; financial contributions of nearly \$200,000 and 560 man-days of employee participation by ABB in Germany, Italy, the U.K. and the U.S. in support of the Special Olympic Games for the mentally challenged; in Romania, ABB provided more than \$30,000 towards cultural, religious and educational rebuilding; while ABB in the U.S. contributed \$325,000 and 435 man-days of employee participation in a wide range of community projects and events to enhance public health and the environment.

Overall, many initiatives for community development arise from ABB's worldwide program of stakeholder dialogue where preference is given to those which help the communities where ABB has its operations, while directly or indirectly supporting ABB's business aims. Stakeholder dialogues are to be held at least once per year in all of the 48 countries where we have country sustainability controllers.

## SO4 Awards received

In 2003, ABB received an excellence award from the environmental authority in Bogota, Colombia, for its environmental management policies and for improving the quality of life of the people of Bogota. The policies aim to reduce dependence on natural resources and ensure waste disposal programs are observed.

In Norway, ABB received a social award from the Telemark county authorities for its commitment and ability to create productive and meaningful workplaces for disabled people in the local community. ABB in Italy is a finalist for the Sodalitas Social Award in the category "Internal processes for corporate social responsibility." The award recognizes companies making particularly impressive efforts in the social field.

ABB in Greece was presented with an award for donations and equipment it provided in support of the "Child's Smile" organization for the protection of the rights of the child.

# Social performance

## **Bribery and corruption**

### **SO2 Policies and compliance mechanisms addressing bribery and corruption**

Principle 13 of ABB's social policy commits the group to uphold the highest standards in business ethics.

ABB also subscribes to the basic principles in the International Chamber of Commerce rules of conduct, 1999 revised edition, and the OECD Convention from 1997, as well as the U.S. Foreign Corrupt Practices Act, 1977.

During 2003, ABB continued a rigorous compliance program worldwide to promote its business ethics policy, which belongs to the company's core set of values and guiding principles. It is incorporated in ABB's business ethics standards, published on our group Web site, which set a "zero tolerance" ruling for non-compliance.

## **Political contributions**

### **SO3 & 5 Policies and compliance mechanisms for managing political contributions**

In accordance with ABB's business ethics standards, contributions to political parties or committees, or to individual politicians, should not be made. Any exceptions, for countries whose cultures call for such practices, have to be cleared in advance with the ABB Group Legal Affairs and Compliance department.

## **Competition and pricing**

### **SO7 Policies and compliance mechanisms to prevent anti-competitive behavior**

In accordance with ABB's business ethics standards, ABB is committed to fair and open competition in markets around the world and would take immediate steps under its "zero tolerance" ruling to address any incidents of non-compliance among its employees or other actions which restrict or distort competition in violation of applicable anti-trust laws. (See page 9 for information on ABB's business ethics policy and standards).

## **Customer health and safety**

### **PR1 Policy for preserving customer health and safety during use of products**

A total of 14 out of 48 countries commented on the impact of ABB products, which generally help improve users' health and safety. They do this, for example, by improving industrial environments (automation control products), reducing exposure to aggressive and hazardous operations (robotics), and reducing potential explosions, fire risks and oil pollution (oil-free capacitors and cables).

The high level of reliability of ABB products, ensured through solid investment in research and development, enhances health and safety by reducing the risk of power or equipment failures – in factories, public institutions and transportation.

Products with a potentially negative impact are those which could contribute to global warming (leak of SF<sub>6</sub> gas), require deforestation (transmission lines), and could cause electrocution if misused.

Wireless-operated and optical sensors now play an important role in ABB products and systems, helping the company provide better user interfaces that enable customers to run their processes more safely.

One of the main tasks of ABB's business area liaison personnel is to focus on the environmental and social performance of products and projects, including their health and safety impacts.

## **Products and services**

### **PR2 Policy related to product information and labeling**

ABB's objective is to produce environmental product declarations (EPDs) for all core products. These declarations take a life cycle approach and are based on assessments carried out in accordance with ISO/TR 14025. They describe and quantify the environmental impact and performance of ABB products over all phases of their life cycles, covering material extraction, component manufacture, transportation and use over their full operating lifetime. They also contain recovery, recycling and disposal instructions when the product has completed its useful life.

To date, ABB has prepared almost 50 EPDs covering a broad range of products. ABB is now discussing how to use environmental data from EPDs as a marketing tool to assist customers in their selection of environmentally sound products.

This work is in line with the European Union's new directive on the handling of waste electrical and electronic equipment.

### **PR8 Policy and compliance mechanisms related to customer satisfaction**

Most ABB companies carry out customer surveys every one to three years, depending on the nature of their businesses. They are often undertaken by external agencies.

Several companies routinely use questionnaire surveys with the delivery of a product or execution of a project.

ABB also compiles, validates, tracks and analyzes all customer complaints in a single, global system that helps resolve problems quickly and efficiently. This system – the Customer Complaints Resolution Process (CCRP) – gives a basic indicator of customer satisfaction. It also provides valuable pointers for improvement.

Of 48 countries, all but six apply the CCRP system.

## **Advertising**

### **PR9 Policies and compliance mechanisms for adherence to advertising standards and codes**

Since ABB works in the field of advanced technologies and does not provide consumer products or services, this has not been an issue up to now. The responsibility for ensuring compliance with advertising standards and voluntary codes on a worldwide scale is assigned to ABB's corporate specialist advertising agencies that perform these checks.

# Outlook 2004 and 2005

## Corporate

Our priority is to build on the achievements of 2003 by promoting a positive health and safety culture throughout ABB to include both our employees and subcontractors while at work, commuting to and from work, and traveling on business. Our goal is to implement health and safety management systems to the OHSAS 18001 standard in all business units by the end of 2004.

In collaboration with Amnesty International, training will begin in 2004 for senior ABB managers on human rights issues, targeting those managers most affected. Our goal is to raise awareness throughout the ABB Group during 2004 and 2005 and ensure all employees support and respect the protection of internationally proclaimed human rights, and are not complicit in any way in human rights abuses.

The first stakeholder advisory panel was conducted successfully at the executive committee level and will be continued annually. This complements our global program of stakeholder dialogue at country level, started in 2000.

## Economic dimension

Our priority is to help return ABB to profitable growth and meet 2005 group targets.

In the 2003 group Operational review, we start to describe and quantify ABB's economic impact in India to better understand the economic dimension of our sustainability performance. We will continue with this approach in other countries.

## Environmental dimension

In January 2004, ABB's new environmental policy was formally adopted by the executive committee, replacing the policy introduced in 1992, to respond to changing times and new challenges by restating certain commitments and focusing more closely in particular areas. The new policy will be implemented in 2004 to include all employees.

During 2004, programs will be tightened to further reduce toxic and hazardous substances identified in ABB's list of restricted and monitored materials. Five substances were eliminated during 2003.

The ABB Group executive committee approved the first step towards ABB becoming a CO<sub>2</sub>-neutral organization. It sanctioned the investigation of current and upcoming international instruments that would help ABB to compensate for its CO<sub>2</sub> emissions.

## Social dimension

Implementation of the "People Strategy" introduced by the executive committee in 2003 will continue with the goal of reaching all employees in the short term. The strategy takes into account labor principles in ABB's social policy.

The implementation of health and safety management systems in all business units will be a main priority during 2004. This should help ABB reduce accidents and develop high awareness of health and safety issues. The health and safety policy is backed up by eight expectations covering both management and employees to provide a framework for achieving the company's goals.

As a result of stakeholder dialogues in many countries, a senior-level working team will in 2004 address the broader issues of equality of opportunity in order to achieve broader diversity within the group.

## Common efforts

ABB supports the United Nations Global Compact and the least developed countries (LDC) program. To this end, ABB's Access to Electricity initiative is focusing on Tanzania where we are introducing technical solutions to rural electrification projects in collaboration with the World Wide Fund for Nature.

# ABB in the sustainability performance ratings

**High rankings in reputable sustainability performance indices translate into tangible customer benefits and distinguish ABB from many of its competitors.**

## Dow Jones Sustainability Indices (DJSI)

Launched in 1999, the DJSI was the world's first index comprising companies with superior sustainability performance, including economic, environmental and social aspects.

In 2003, ABB retained second place in its industry group and scored the same as the group leader for environmental and social performance. ABB was cited as one of the sustainability leaders in its industry, having very strong management capabilities in the environmental dimension compared to the industry average.

## FTSE4Good

The FTSE4Good indices were launched in July 2001 to highlight the best performers in corporate social responsibility.

In 2003, ABB featured in both the FTSE4Good Europe Index and in the FTSE4Good Global Index.

## Business in the Environment (BiE)

Business in the Environment (BiE) is the business-led campaign for corporate environmental responsibility, which launched the annual index of Corporate Environmental Engagement in 1996 to assess companies' environmental performance.

In the latest ranking covering 2003, ABB is top of its sector for engineering, machinery and top of the General Industrial group with a score of more than 95 percent, which places it in the top Premier League of the index.

## Sarasin Bank

Bank Sarasin, based in Basel, Switzerland, assesses selected companies' environmental and social performance as a basis for its socially responsible investment funds and services.

In the latest assessment in 2003, ABB again scores above the industry average in every aspect of environmental performance. On the social side it scores well in some categories, but is penalized for several changes in the business strategy, workforce reductions and anti-trust investigations.

## Swedish Environment Fund

In 2003, ABB was ranked among the top 41 most sustainable corporations quoted on the Swedish stock exchange. The list is a venture between Banco Funds, which administrates the Swedish Environment Fund and The Natural Step Foundation.

## Innovest

Innovest Strategic Value Advisors, headquartered in New York, has renewed its environmental statement for ABB's 2003 Sustainability review as follows:

"ABB received a rating of AAA, ranking 1 out of 24 electrical equipment companies in the sector for environmental performance. With regard to Innovest's Intangible Value Assessment, ABB has resumed its original ranking of AAA after a brief downgrade due to recent events. The company's strategic and comprehensive approach to environmental and intangible value factors will act as a buffer and provide a competitive edge as the company returns to profitability."

# Principal memberships

## 3.15 Principal memberships

Listed below are some of ABB's principal associations and initiatives involving sustainability.

### **Business for Social Responsibility (BSR), U.S.**

ABB is a member of Business for Social Responsibility (BSR), a global organization that helps member companies achieve success in ways that respect ethical values, people, communities and the environment. BSR member companies represent trillions of dollars in combined annual revenues and employ more than six million workers around the world. Members gain access to research, education and training programs, consulting and practical guidance on all aspects of corporate social responsibility. BSR promotes cross-sector collaboration and contributes to global efforts to advance the field of corporate social responsibility. Web site: [www.bsr.org](http://www.bsr.org)

### **Centre for Environmental Assessment of Product and Material (CPM), Chalmers University of Technology, Gothenburg, Sweden**

CPM is a national competence center dedicated to sustainable product development. It is jointly funded by industry, VINNOVA (the Swedish Agency for Innovation Systems), and Chalmers. ABB is a board member. Web site: [www.cpm.chalmers.se](http://www.cpm.chalmers.se)

### **Global Village Energy Partnership (GVEP), U.S.**

The partnership was formally launched at the United Nations World Summit on Sustainable Development in Johannesburg in 2002. The World Bank and the United Nations Development Programme are important drivers of the initiative. The intention is to build a coalition to help bring energy to the 1–2 billion people who currently lack it. GVEP addresses both urban and rural communities and focuses on action plans, knowledge exchange, capacity development, financing facilitation and results monitoring. ABB is a registered partner in GVEP. Web site: [www.gvep.org](http://www.gvep.org)

### **Global Reporting Initiative, Netherlands**

ABB is an organizational stakeholder for the GRI. The initiative has enjoyed the active support and engagement of representatives from business, non-profit advocacy groups, accounting bodies, investor organizations, trade unions and others. Together these constituencies have worked to build a consensus around a set of sustainability reporting guidelines with the aim of achieving worldwide acceptance. Web site: [www.globalreporting.org](http://www.globalreporting.org)

### **International Organization for Standardization (ISO), Switzerland**

The ISO is responsible for standardization in all fields except electrical and electronic engineering. ABB's corporate staff for sustainability affairs is a member of Technical Committee 207. Web site: [www.iso.ch](http://www.iso.ch)

### **oikos International, Switzerland**

oikos is an international student organization for sustainable economics and management, founded in 1987 at the University of St. Gallen, Switzerland, and now present in some 20 universities in 16 countries. The head of ABB's sustainability affairs organization is a member of the oikos Advisory Board. Web site: [www.oikosinternational.org](http://www.oikosinternational.org)

### **Pew Center on Global Climate Change, U.S.**

ABB is one of nearly 40 companies on the Business Environmental Leadership Council. The Pew Charitable Trust established the organization in 1998 to bring together "ingenuity and experience of all sectors of our society – private, public, and non-governmental organizations" to address global climate change constructively. Web site: [www.pewclimate.org](http://www.pewclimate.org)

### **SustainAbility, U.K.**

SustainAbility, founded in 1987, is the longest established international consultancy specializing in business strategy and sustainable development – environmental improvement, social equity and economic development. During 2004, SustainAbility will carry out an investigation to assess ABB's sustainability reporting and benchmark our sustainability reports against those of our peers. Web site: [www.sustainability.com](http://www.sustainability.com)

### **Transparency International, Germany**

The global non-governmental organization, founded in 1993, is dedicated to fighting corruption. ABB is a group contributor and donor and was one of ten international companies to sign a set of "Business Principles for Countering Bribery in the Engineering and Construction Industry" at the World Economic Forum's annual meeting in 2004 in Davos, Switzerland. The principles were developed by a multinational task force of engineering and construction companies, including ABB, working with the World Economic Forum, the Basel Institute on Governance, and Transparency International. Web site: [www.transparency.org](http://www.transparency.org)

### **United Nations Global Compact, U.S.**

ABB was one of the 50 companies that supported the inaugural launch of the Global Compact in New York in July 2000. The Compact is a platform for encouraging and promoting good corporate practices and learning experiences in the areas of human rights, labor and the environment. Web site: [www.unglobalcompact.org](http://www.unglobalcompact.org)

### **World Business Council for Sustainable Development, Switzerland**

Established in January 1995, the WBCSD (of which ABB is a member) is a coalition of 170 international companies drawn from more than 30 countries and 20 major industrial sectors, and united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress. Web site: [www.wbcsd.ch](http://www.wbcsd.ch)

### **World Energy Council, U.K.**

A non-governmental energy-policy forum founded in 1923. Its objective is to promote the sustainable supply and use of energy for the greatest benefit of all. ABB is a patron and active in several WEC national member committees. ABB provides the national president in Italy and the vice chairman in Sweden. Web site: [www.worldenergy.org](http://www.worldenergy.org)

### **World Wide Fund for Nature (WWF), Switzerland**

One of the world's largest and most effective organizations devoted to the conservation of nature, operating in around 100 countries and supported by nearly five million individuals. ABB is currently working on three projects with WWF: on energy efficiency, Access to Electricity in Tanzania and sustainability risk assessment in Indonesia. Web site: [www.wwf.org](http://www.wwf.org)

### **CSR Europe, Belgium**

Corporate Social Responsibility Europe, founded in 1997 by its current patron Etienne Davignon, is a network of 65 multinational companies whose aim is to integrate corporate social responsibility into mainstream business. ABB serves on the board of directors and is actively engaged in social sustainability activities to support this aim. Web site: [www.csreurope.org](http://www.csreurope.org)

# Position statements

## ABB's position on climate change and global warming

The United Nations Intergovernmental Panel on Climate Change believes man-made emissions of greenhouse gases – mainly carbon dioxide (CO<sub>2</sub>) – are influencing global climate. Through the Kyoto Protocol, most industrialized countries have agreed to cut their greenhouse gas emissions.

ABB shares the U.N.'s concern about global warming and is committed to the pursuit of emission reductions. We regard the Kyoto Protocol, and other national and international efforts, as important initial steps in lowering greenhouse gas emissions and stabilizing global temperatures.

ABB has initiated a global project with the World Energy Council (WEC) to reduce greenhouse gas emissions by one billion tons annually by 2005. Progress is publicly reported in a database on the WEC Web site. Today, the one billion ton target has been reached and the database contains more than 1,300 projects in 124 countries.

In 1999, we set a target to reduce ABB's own greenhouse gas emissions by one percent per year over the next five years. We accomplished this through a large number of improvement projects throughout ABB. The executive committee also approved the first step towards ABB becoming a CO<sub>2</sub>-neutral organization. It sanctioned the investigation of current and upcoming international instruments that would help ABB to compensate for its CO<sub>2</sub> emissions.

ABB's greatest contribution to the reduction of greenhouse gas emissions is through the high environmental performance of its products over their complete life cycles.

Using life cycle assessments, ABB delivers products and systems that require less material, have higher efficiencies and consume less energy, which means fewer greenhouse gas emissions – particularly over long operating lifetimes.

Applying ABB's advanced industrial information technology for the control of integrated systems, electrical power grids, industrial processes and buildings can reduce emissions even further.

## ABB's position on sulfur hexafluoride (SF<sub>6</sub>)

Sulfur hexafluoride (SF<sub>6</sub>) is a man-made gas used in electrical switchgear and installations and one of the most potent greenhouse gases listed in the Kyoto Protocol.

SF<sub>6</sub> gas has a global warming potential some 23,900 times greater than carbon dioxide (CO<sub>2</sub>), but only minute amounts escape into the atmosphere. Switchgear manufacturers use SF<sub>6</sub> gas to make safe, reliable and compact installations for electric power transmission and distribution companies.

ABB uses SF<sub>6</sub>-based technology in high-voltage electrical equipment because of its excellent insulating and arc-quenching properties.

Accidental SF<sub>6</sub> gas emissions due to mistakes during manufacturing, installation, maintenance and decommissioning are a bigger problem than leaks from products. ABB's gas-handling procedures prevent emission and safeguard recyclability.

ABB's product-based life cycle assessment indicates that, if handled correctly, the advantages of SF<sub>6</sub> gas outweigh the environmental impact of leakages.

ABB products contain SF<sub>6</sub> gas in closed systems, usually sealed for life. Current leakage guarantees range from 0.5 to 0.1 percent per year, and next generation products steadily improve leakage performances.

ABB has strict tracing and inventory systems and efficient handling procedures in place for dealing with SF<sub>6</sub> gas, in line with the recommendations of environmental agencies.

ABB supports and contributes to SF<sub>6</sub> emission reduction programs, and plays a leading role in international organizations that develop guidelines for SF<sub>6</sub> gas, including CIGRE, CAPIEL and NEMA.

ABB also takes back old SF<sub>6</sub>-based products for dismantling and recycling under controlled conditions.

A systematic search for environmentally-friendly alternatives to SF<sub>6</sub> is ongoing within the international scientific community. So far, no alternative gas has been identified which provides the same electrical performance, while having a much lower environmental impact.

## ABB's position on WEEE and ROHS

The European Union's directives on Waste Electrical and Electronic Equipment (WEEE), and the Restriction of Hazardous Substances (ROHS), came into force on February 13, 2003.

All E.U. member states must incorporate these directives into national law by August 2004, and have take-back systems in place by September 2005.

The WEEE directive sets criteria for collection, treatment, recycling and recovery of waste electrical and electronic equipment. It makes producers responsible for financing most of these activities, so that private householders can return old electrical and electronic equipment without charge.

The ROHS directive controls recycling of waste electrical and electronic equipment by restricting the hazardous substances used in their manufacture, such as lead, mercury, cadmium, hexavalent chromium, and flame-retardants used in plastics: poly-brominated biphenyls (PBBs), and poly-brominated diphenyl ethers (PBDEs).

ABB is currently studying the scope of the directives to obtain a clearer understanding about which of our products will be affected. For example, while electrical and electronic products used in consumer goods are within the scope of the directives, those used in medium and high-voltage equipment are not.

To meet the ROHS directive, materials used in some ABB products are being reviewed. For example, all electrical manufacturers use lead today in solder. ABB is presently studying the feasibility of changing to lead-free soldering technologies.

ABB's research and development departments will take into account the ROHS and WEEE directives and all relevant legislation and guidelines when designing new products, to facilitate their dismantling, recovery and recycling. The departments are currently collaborating with industry partners in several countries to create effective take-back systems.

# ABB Group Annual Report 2003 – Statement by Det Norske Veritas

## Scope and method of work

DNV has been engaged to verify the Sustainability review of the ABB Group Annual Report 2003, covering the environmental and social performance data, including occupational health and safety, presented on pages 14–22 in this report.

As a part of the verification process we have

- Interviewed personnel at ABB Group Sustainability Affairs having the responsibility to collect, aggregate and present the data in this report
- Conducted telephone interviews with selected local sustainability officers and country sustainability controllers
- Visited selected ABB sites to closely investigate the data gathered and reported from the sites
- Conducted desk top studies of information and data gathered through the above mentioned interviews and site visits
- Assessed the reporting system, conversion factors used and the conclusions based on the reported data

Our verification is based on spot checks and the information made available to us.

## Conclusions

Based on our investigation we have found strong indications that the information presented in the Sustainability review in this report does give a balanced and accurate view of ABB's sustainability performance in 2003.

ABB's reporting covers all GRI core indicators, except one environmental (EN7) and two social indicators (PR3 and LA2). Furthermore, many of the additional voluntary indicators have been included. There is still room for further improvement, mainly in reporting how the stakeholder dialogues have a given impact on ABB's performance, and in the reporting of the full range of requirements within each GRI indicator. For example, the breakdown of the workforce could be further expanded and subcontractors could be fully included in the health and safety reporting.

ABB has a global Web-based reporting system, enabling an automatic and accurate aggregation of the data reported from each site and country. ABB's long-standing worldwide focus on environmental issues is reflected in the high reliability of the monitored and reported environmental performance. We have also assessed the conversion factors used in the reporting and aggregation systems, and have not found any systematic or major errors.

We have noticed that ABB has a strong focus on improving its occupational health and safety (OHS) performance and reporting, including the implementation of OHS management systems. We emphasize the need for improvement in OHS reporting, covering both quality assurance and understanding of the indicators at site level.

Generally, a large amount of data is reported from numerous sites involving several hundred persons. Spot checks revealed the need for a continual focus on quality assurance of the reported data.



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Chief Operating Officer  
Det Norske Veritas



Jon Jerre  
Project Manager  
DNV Consulting

# Sustainability on the Web

[www.abb.com/sustainability](http://www.abb.com/sustainability)

## A living, interactive document

If you want to know more about our activities, news and achievements, visit our sustainability Web site: [www.abb.com/sustainability](http://www.abb.com/sustainability). You can also download copies of our sustainability reports, reviews and summaries, environmental product declarations, as well as articles, speeches, and detailed question and answer papers on key issues.

You can also find more details about ABB's involvement in sustainability initiatives and associations.

## Contact us

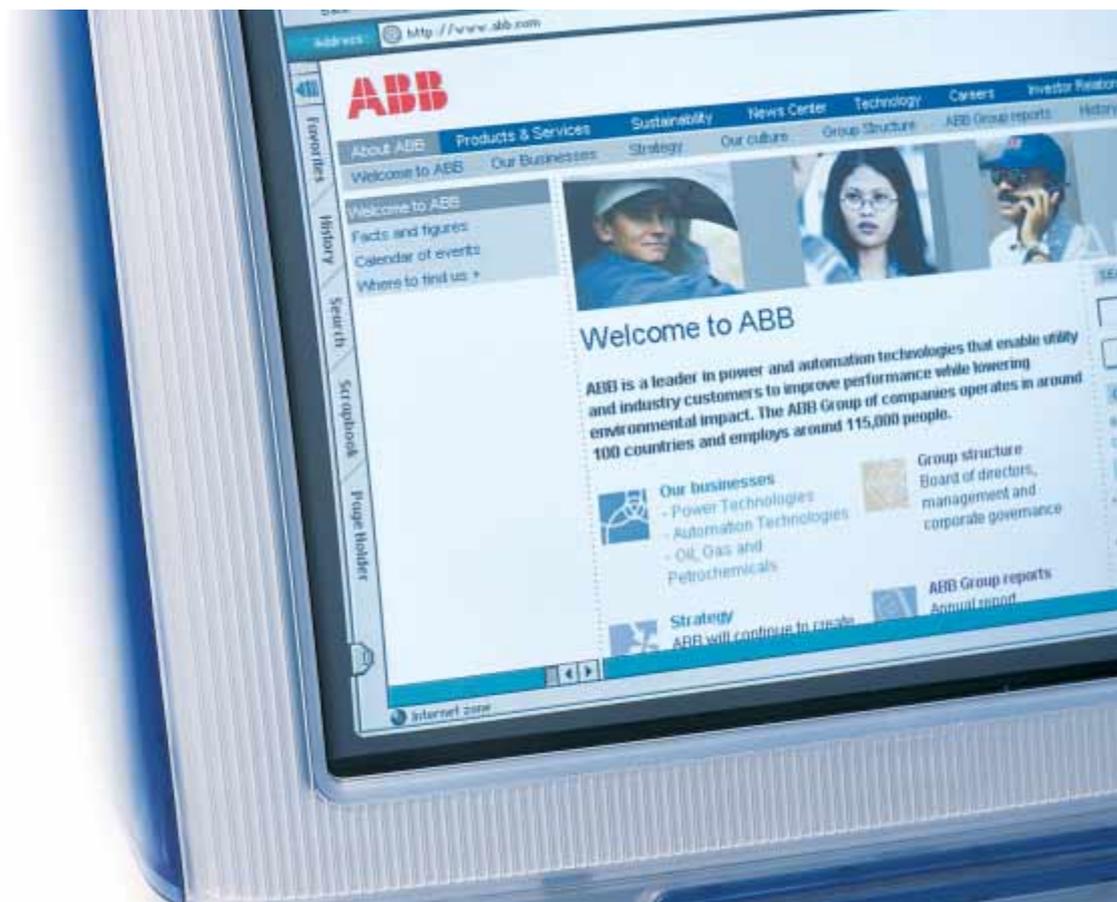
Sustainability thrives on the exchange of information and ideas between different stakeholder groups. ABB has activities in around 100 countries and we would very much like to hear your views on our sustainability objectives, activities and performance, as described in this review. We value new ideas, and welcome the opportunity to hear and address your concerns.

You can contact us at [www.abb.com/sustainability](http://www.abb.com/sustainability) or at [sustainability.abbzh@ch.abb.com](mailto:sustainability.abbzh@ch.abb.com)

We look forward to hearing from you.

## Glossary

ABB maintains a comprehensive glossary of terms relating to the environmental and social dimensions of its sustainability reporting, which can be found on the sustainability section of the ABB Web site [www.abb.com/sustainability](http://www.abb.com/sustainability)





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