

Business Responsibility Report 2020

Statement on demerger

ABB Power Products and Systems India Limited ("Company" "We") was incorporated on February 19, 2019.

A scheme of arrangement ("Scheme") was entered into between (i) ABB India Limited ("INABB"/"Transferor") and (ii) your Company ("Company"/"Transferee") and their respective shareholders and creditors, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, which provided for inter alia the Demerger of the Power Grids Business of INABB ("Demerged Undertaking") and the consequent issuance of Equity Shares by the Company to the shareholders of INABB as per the Share Entitlement Ratio. The Scheme was approved by Company's Board of Directors pursuant to its resolution dated March 5, 2019 and the Board of Directors of INABB pursuant to its resolution dated March 5, 2019. Pursuant to an order dated June 27, 2019, passed by the NCLT, meetings of the equity shareholders and the creditors of INABB were convened. The equity shareholders and the creditors of INABB approved the Scheme at court convened meetings, each held on August 9, 2019. The NCLT approved the Scheme on November 27, 2019. The Appointed Date of the Scheme was April 1, 2019 and the Effective Date was December 1, 2019.

The Scheme provided for the transfer by way of a demerger of the Demerged Undertaking and the consequent issue of Equity Shares by the Company to the shareholders of INABB in accordance with the Share Entitlement Ratio, and various other matters consequential or integrally connected therewith, including the re-organisation of the share capital of the Transferee, pursuant to Sections 230 to 232 of the Companies Act, 2013, the SEBI Circulars and in compliance with the Income Tax Act, 1961.

Sustainability overview

Our purpose is powering good for a sustainable energy future, with pioneering and digital technologies, as the partner of choice for enabling a stronger, smarter and greener grid. We help to increase access to affordable, reliable, sustainable, and modern energy for all. Aligned with the United Nations' Sustainable Development Goal 7. The Company is a leading contributor to a sustainable world through its unique business offerings of pioneering technologies and sustainable business practices. The Company is expecting in aiding and steering the path for the country's vision of sustainable growth and its agenda to focus on smart cities, sustainable mobility solutions, bringing in automation and energy efficiency in core manufacturing and utility sectors apart from focusing on

its in-house sustainability in terms of sustainable processes and practices at its operations and manufacturing locations.

The Company is supporting Government of India to realize its ambitious vision of 'Make-in-India' through advanced manufacturing technologies that incorporate the latest developments in Renewable Energy integration, Digitalization, Grid Automation and electric vehicle charging infrastructure. The Company is using its state-of-the-art manufacturing and applications of future technologies.

The Company is expecting to create value by manufacturing and supplying energy-efficient power grid business, making their operations more efficient and lowering overall environmental impact. Robust risk management processes are being undertaken, covering health, safety, social, environmental and security impacts, to strengthen business performance and resilience.

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

The Company has a focused approach to address sustainability and has set itself with ambitious targets for key sustainability indicators such as health safety, environment-energy, climate change, waste, water, right material use, resource efficiency, integrity, sustainable sourcing, security and community engagement. All these initiatives have a direct or indirect impact on the Company's performance and its success. The Company has in place a comprehensive policy on Health, Safety, Environment, Security and Sustainability. The Company also has an HSE policy in line with the Hitachi ABB Power Grids Group ("Group") objective.

To realize global leadership in HSE/Sustainability (SA) performance, the Group has created a robust and comprehensive HSE/SA management system (titled the ABB way) based on internationally recognized sustainability standards, principles and commitments including ISO 45001 and ISO 14001. This system sets clear expectations and the required minimum standards, which are being implemented and embedded into our operations across the world including activities of the Company.

The Company has established the PG HSE/SA Management System and is certified for ISO 14001 and ISO 45001.