

The background of the cover features several overlapping, semi-transparent circular shapes in shades of orange, green, and light blue. In the upper right corner, there is a photograph of a modern glass skyscraper with green foliage in the foreground.

2011  
Corporate  
Sustainability  
Report

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# Introduction

In everything we do, we've earned a reputation for integrity and high levels of performance. Our commitment to sustainability is an integral part of that reputation. This report is about how we 'walk the talk.'

ABM has produced our Fiscal Year 2011 Sustainability Report for clients, shareholders, employees, supplier partners and others with an interest in our corporate approach to sustainability.

With 103 years of facility services experience, we continue to serve thousands of clients across the United States and in various international locations. Over the next couple of pages, Henrik Slipsager, ABM President and Chief Executive Officer, will detail today's ABM, including our recently launched new brand and the Company's transformation towards our new vision: *To become the global leader in Integrated Facility Solutions.*

We have proclaimed that it's a "New Day" at ABM, a momentous time that most certainly includes an unwavering commitment to environmental stewardship. We understand that as a corporate citizen and industry leader, we must minimize our environmental impact across each of our business units while providing world-class services to our clients. We are keenly aware of our impact upon the fiscal, social and physical environments we all share, and our operations, both internally and externally, reflect that mindset.

This Sustainability Report details the sustainability achievements, goals and challenges that ABM has identified within our operations, and it publicly identifies our commitment to monitor and improve our impact on people and the earth. ABM is a publicly-traded company and thus held to a higher standard of ethics and compliance compared to many competitors in the facility services industry. A critical example of ABM's compliance is our

Sarbanes Oxley (SOX) certification. ABM rigorously evaluates its control environment throughout the year for each of its business units, ensuring that our financial operations and reporting processes are well-designed, effective and efficient.

Sustainability reporting is an ever-changing discipline, and as our corporate sustainability programs continue to mature, so too must our reporting. We strive to be at the forefront of best practices, both inside and outside our industry segment. To that end, this year we have submitted this report for the assessment of The Centre for Sustainability and Excellence (CSE) an independent, outside entity. CSE's evaluation is included later in this report.

Further, readers can provide feedback on our plans and progress through the channels identified at the end of this report. Please funnel your comments, questions or concerns to ABM's Corporate Communications team at [sustainability@abm.com](mailto:sustainability@abm.com). We welcome your insights on how we can meet our shared commitment to a sustainable world.



This report is about how we walk the talk.

# CEO Statement

## Dear Stakeholder:

When a company has been in business for more than 100 years, repositioning and redefining that enterprise is neither a simple mission nor an easy journey.

Yet, that is exactly where ABM stands today. The Company is poised at a transformational moment in our long and storied history – the start of a “New Day” – for ABM’s expanding business, for our nearly 100,000 valued employees and for the thousands of clients we are privileged to serve.

## Time of Transformation

Through organic growth in our traditional markets, and strategic acquisitions adding new markets and new capabilities, ABM today offers more services, in more industries and in more places than at any time in the Company’s 103-year history.

To mark our new point of arrival, we launched a vibrant and dynamic new ABM brand and set our sights on a new vision: To become the global leader in Integrated Facility Solutions.

Our new brand tagline – “Building Value” – captures and conveys the tens of thousands of physical assets we service and maintain as well as the asset value we preserve and create through our innovative, client-focused solutions.

ABM builds value for our clients by reducing operating costs while keeping their properties safe, clean, comfortable and energy efficient, through individual or integrated solutions.

## Building Value through Sustainability

One of the most significant steps in our transformation was the acquisition of The Linc Group (“Linc”) in the fiscal first quarter of 2011. Linc is a leading provider of technical business services, operating in multiple countries, servicing more than one billion square feet of space and maintaining and managing the core infrastructure of more than 25,000 client facilities worldwide.

The Linc acquisition was an inflection point in the Company’s capacity to meet the growing demand within the green

and sustainable building market. With the combined strength of our existing engineering business and Linc, ABM Facility Solutions expands the breadth of our client-focused energy solutions for facility owners and operators in North America and various international locations.

ABM today offers clients guaranteed energy savings through a range of innovative financial and technical solutions that, over time, cover the costs of clients’ investments.

We successfully retrofit commercial, government, industrial, health care, educational and other facilities to help produce the guaranteed energy savings, reduce environmental impact and comply with government regulations.

Building on this solid foundation, we recently chartered ABM Energy to implement energy technologies designed to help clients across multiple industries achieve the twin goals of improving energy efficiency and lowering operating costs.

Further, we are leveraging cutting-edge technology while reducing emissions by installing consumer-friendly electric vehicle charging stations throughout the U.S. We are well-positioned to support emerging trends in the electric vehicle market.

During the year, we also continued to expand our green cleaning through our industry-leading ABM Green Care™ program. Our green cleaning expertise and capabilities played a major role in reaching a multimillion-dollar, multiyear global partnership with AEG, one of the world’s leading sports and entertainment presenters.

AEG is committed to environmentally safe products and practices at its many premier venues around the world, and pursues Leadership in Energy and Environmental Design (LEED) certification. ABM today counts more than 300 million square feet in its portfolio of green cleaning, a key criterion in achieving LEED certification.

Other examples across ABM reflect our sustainability solutions – from our Parking business introducing state-of-the-art solar parking meters and free Wi-Fi access in Galveston following the devastation of Hurricane Ike to our Government Services business providing specialized “environmental cleaning” services to meet the unique requirements of Womack Army Medical Center, which supports more than 160,000 beneficiaries, the Army’s largest population served at a single facility.

### **Our Commitment, Our Future**

All ABM’s businesses leverage technology, innovation, products and expertise to deliver sustainable solutions to our clients.

As a major employer and enterprise, we also are mindful of our own impact and influence on our shared environment. In this report we outline our many efforts across ABM to be good stewards of our environment and responsible citizens within the communities we serve.

It is for these reasons we remain committed to our participation in the U.N. Global Compact. We are proud to be a part of this strategic policy initiative and to uphold the “ten principles,” along with other dedicated businesses around the globe.

Closer to home, ABM’s Board of Directors this year further committed to advancing our corporate social responsibility initiatives. The Board chartered the new Corporate Citizenship and Communications Committee to advise the Board and Management on policies, strategies and practices involving, among other areas: sustainability and environmental practices; green energy; and corporate philanthropy.

As I look ahead, I want to see the “new ABM” enhancing and expanding our internal measures towards sustainability, building on our foundation. I recognize that we have an enormous opportunity to make a difference – as we do for so many of our clients – in the promise of a better planet and a brighter future.

**Thank you for the opportunity to share our progress on the journey.**



**Henrik C. Slipsager**  
President and  
Chief Executive Officer



All ABM's  
businesses leverage  
technology,  
innovation, products  
and expertise to  
deliver sustainable  
solutions to  
our clients.

### Report Parameters

This report is ABM's second Sustainability Report and covers activities related to our 2011 fiscal year that ended October 31, 2011. ABM's initial Sustainability Report was issued February 24, 2011. The development of this report evolved from various internal discussions with key stakeholders as well as a materiality assessment following the Global Reporting Initiative (GRI) framework. An index of the GRI indicators and metrics is provided on the last two pages of this report, linking the applicable topics with the corresponding page(s). We also took our commitment one step further this year by submitting our report to the Centre for Sustainability and Excellence (CSE) for an independent audit assessment.

Finally, we will continue to update this report each fiscal year and publish it online along with other key company information found in our filings with the Securities and Exchange Commission (SEC), which will be made available on our website at [www.abm.com](http://www.abm.com).

The ABM Corporate Sustainability Report covers the corporate activities and services provided by ABM and its subsidiaries throughout North America.



## Organization of this Report

We will introduce ABM, our services, and organizational structure. We will then identify our key impacts, risks and opportunities relating to our corporate sustainability initiatives, and the primary stakeholders for whom our sustainability commitment is most impactful. We will also discuss our governance for ensuring we perform with utmost integrity on behalf of our stakeholders. From there, we will take a look at the following:

- *Sustainability in ABM Operations*
- *Sustainability in ABM Services*
- *How We Value Our People*
- *ABM in the Community*



# about ABM



ABM (NYSE:ABM) is a leading provider of integrated facility solutions, which operates through its subsidiaries. Thousands of commercial, industrial, government and retail clients outsource their non-core functions to ABM for consistent quality service that meets their specialized facility needs. ABM's comprehensive capabilities include expansive facility services, energy solutions, commercial cleaning, maintenance and repair, HVAC, electrical, landscaping, parking and security, provided through stand-alone or integrated solutions.

With more than \$4 billion in revenues and nearly 100,000 employees deployed throughout North America. ABM delivers custom facility solutions to meet the unique client requirements of multiple industries – ranging from healthcare, government and education to high-tech, aviation and manufacturing. ABM leverages its breadth of services, deep industry expertise and technology-enabled workforce to preserve and build value for clients' physical assets.

ABM's business services include ABM Janitorial Services, ABM Facility Solutions, ABM Parking Services (formerly Ampco System Parking) and ABM Security Services. To provide comprehensive services to our wide range of client types, the ABM subsidiaries are organized by trade expertise and a vertical market focus to reach our clients via our 300+ strategically placed branch offices in North America. ABM Industries Incorporated was founded in 1909. For more information, please visit [www.abm.com](http://www.abm.com).

ABM is incorporated under the laws of the State of Delaware and is a publically owned company, governed by a board of directors. Our global headquarters is in New York, NY. Shares of ABM are traded on the New York Stock Exchange [NYSE: ABM].

The list below details persons who have reported in Schedule 13G or Schedule 13D filings made with the SEC that at December 31, 2011 held 5% or more of the outstanding shares of ABM common stock.

- Bank of America Corporation
- Blackrock, Inc.
- Franklin Resources, Inc.
- Lord Michael A. Ashcroft
- State Street Corporation
- The Theodore Rosenberg Trust
- Vanguard Group, Inc.
- Wells Fargo & Company

## Governance Structure

At ABM, our governance structure, along with our Code of Business Conduct, provide the framework for us to effectively serve our clients, stakeholders and employees with integrity. Information concerning Governance and our Board of Directors is available at [investor.abm.com](http://investor.abm.com). Specifics on the board's composition are available [here](#).

### Responsibilities of Board of Directors

The basic duty of ABM directors is to exercise their business judgment to act in what the Board reasonably believes to be in the best interests of ABM and its stockholders. The primary responsibilities of the Board are providing oversight, counseling and direction to the management of the Company in the interest and for the benefit of our stockholders. The Board may fulfill its responsibilities directly or through its Committees. The Board's detailed responsibilities include:

- *Selecting, evaluating and setting the compensation for the Chief Executive Officer and approving the compensation of other senior executives;*
- *Planning for succession with respect to the Chief Executive Officer and monitoring management's succession planning for other senior executives;*
- *Reviewing and, where appropriate, approving the Company's major financial objectives, strategic and operating plans and actions;*
- *Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;*
- *Overseeing the processes for maintaining the integrity of the Company with regard to its financial statements and other public disclosures, and compliance with law and ethics; and*
- *Developing, monitoring, and evaluating its own actions and processes to ensure that the Board and its Committees fulfill their duties and responsibilities to ABM's stockholders.*

In discharging its responsibilities and duties, the Board is empowered to investigate any matter brought to its attention that it determines to be within the scope of its authority with full access to all books, records, facilities

and personnel of the company. The Board has the power to retain consultants, outside counsel or other experts as the Board may deem appropriate in its sole discretion, and shall receive funding from the Company to engage such advisors, and have sole authority to approve related fees and retention terms.

The Board of Directors has delegated certain of its responsibilities to its committees. The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of ABM, the authority and responsibility for managing the business of ABM in a lawful and ethical manner, consistent with the standards, policies and procedures of ABM, and in accordance with any specific plans, instructions or directions of the Board. The Chief Executive Officer and the other executive officers are required to seek the advice and, in appropriate situations, the approval of the Board with respect to certain major decisions in both the ordinary and extraordinary course of business. ABM operates with a separate Chairman of the Board and Chief Executive Officer.

#### **Ethical Conduct**

Directors shall act at all times in accordance with the requirements of ABM's Code of Business Conduct, which shall be applicable to each director and employee of the Company in connection with his or her activities on behalf of or relating to ABM. This obligation includes adherence to ABM's policies with respect to conflicts of interest, confidentiality, protection of ABM's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Code of Business Conduct with respect to any individual director must be approved by the Board of Directors.

#### **Stock Ownership**

The Board is committed to fostering compensation programs and policies designed to encourage ownership of ABM stock by directors and executive officers over the long term. In addition, the Board has adopted stock ownership guidelines for directors and certain senior executives. In the view of the Board, such programs will help align the interests of ABM's directors and executive officers with those of our stockholders.

#### **Board of Directors Committee Added in Fiscal Year 2011**

One exciting and relevant change to ABM's governance structure is the addition of a new Board of Directors

Committee. Since our last report, the Board chartered the Corporate Citizenship & Communications Committee. The new Committee recognizes, formalizes and expands the commitment of the Board and Management to ensuring that ABM remains focused on its responsibilities as a corporate citizen, community member and engaged partner with the Company's many stakeholders, internally and externally.

Specifically, the Corporate Citizenship & Communications Committee will act in an advisory capacity to the Board and Management as well as provide Board-level oversight with respect to policies, strategies and practices including, but not limited to:

- *Employee Diversity*
- *Sustainability and environmental and green energy issues*
- *Crisis management planning and communications*
- *Public affairs, public policy and government relations*
- *Political action committee activities, if any*
- *Marketing, branding and communications*
- *Corporate philanthropy*
- *Tone at the top, except as addressed by the Audit Committee*
- *Shareholder proposals that may relate to government relations or public policy as delegated by the governance Committee, which typically provides oversight and advice on shareholder proposals*

## **ABM Operational Structure and Service Offerings**

ABM has a variety of divisions and operating units within them; they are listed below:

**ABM Janitorial Services** is led by Jim McClure, Executive Vice President, ABM, and President, ABM Janitorial Services. ABM Janitorial Services has a number of subsidiaries, along with a wide variety of service offerings.

ABM Janitorial subsidiaries include:

- *Diversco Integrated Services*
- *OneSource Landscape & Golf*
- *Southern Management*
- *Sterling Services*

ABM Janitorial service offerings include:

- *Blind cleaning*
- *Clean room services*
- *Computer room cleaning*
- *Construction clean up*
- *Medical waste disposal*
- *Escalator cleaning*
- *Food service sanitation*
- *Golf course maintenance*
- *Green cleaning*
- *Irrigation*
- *Landscaping*
- *Light industrial cleaning*
- *Pressure washing*
- *Production line support*
- *Recycling services*
- *Restroom sanitation*
- *Special event services*
- *Snackfood & bakery operations*
- *Surface floor care*
- *Window cleaning*

**ABM Facility Solutions** is led by Tracy Price, Executive Vice President, ABM, and President, ABM Facility Solutions. Within ABM Facility Solutions, there are five primary divisions – and certain operating units within those divisions. ABM Facility Solutions include:

- *ABM Building & Energy Solutions*
  - *ABM Building Solutions*
  - *ABM Building Services*
  - *ABM Electrical Solutions*
  - *ABM Electrical Power Solutions*
  - *ABM Electrical Power Services*
  - *ABM Health*
- *ABM Franchising Group*
  - *Linc Service Network*
  - *Greenhomes America*
  - *ABM Electrical Network*
  - *TEGG Current Safe*
- *ABM Facility Services*
- *ABM Government Services*
- *ABM International*

ABM Facility Solutions service offerings include:

- *Integrated Facility Solutions*
- *Electrical*
  - *Electrical service*
  - *Electrical testing*
- *HVAC & Mechanical*
  - *Emergency service & repair*
  - *Energy service and/or retrofit projects*
  - *Service agreements*
- *Maintenance & Repair*
  - *On-site maintenance*
  - *Mobile maintenance*
- *Clinical Engineering*

#### **ABM Parking Services**

(Formerly Ampco System Parking) is led by Mark Muglich, President, ABM Parking Services. ABM Parking Services offers parking and transportation services.

ABM Parking Services subsidiary:

- *Healthcare Parking Systems of America (HPSA)*

ABM Parking Services offerings include:

- *Parking management*
- *Shuttle transportation services*
- *Signage, graphics and aesthetic enhancement recommendations*
- *Stack parking programs*
- *Valet parking*
- *ADA compliance review*
- *On and off-street meter collections*
- *Comprehensive audits of procedures and revenue accounting*
- *Consulting on pre-construction design and layout of parking facilities*
- *Client parking operations satisfaction surveys*
- *Assistance in preparing schedules used in due diligence*
- *Parking enforcement*
- *Parking utilization analysis*
- *Rate analysis and recommendations*
- *Revenue control equipment recommendation and supervision of installation*
- *Revenue enhancement programs through new and innovative services*

### **ABM Security Services**

is led by Chris Hansen, President, ABM Security Services. ABM Security Services has a variety of security offerings.

ABM Security Services subsidiaries:

- *Silverhawk Investigations*
- *Elite Protection Services*

ABM Security Services service offerings include:

- *Uniformed, unarmed and plainclothes security services*
- *Background checks and investigative services*
- *Concierge and receptionist services*
- *Patrol and alarm response*
- *Security consulting, system design, security surveys*
- *Security trained support personnel*
- *Special events coverage and crowd control*
- *Ushers and ticket takers*
- *Workplace violence solutions*
- *Access control*

### **Significant Changes This Year**

In the first quarter of fiscal year 2011, ABM acquired The Linc Group ("Linc"). Linc, which is now fully integrated under the ABM name, is a leading provider of technical business services – operating in multiple countries, servicing more than one billion square feet of space and maintaining and managing the core infrastructure of more than 25,000 client facilities worldwide.

The acquisition transformed our engineering and energy business overnight. In combining ABM's existing engineering operations with the acquired Linc business to form our Facility Solutions division, we brought together two entities which generated revenues of \$900 million in FY 2011. Speaking to sustainability, by harnessing the strength of these two entities, we are now better-positioned than ever to deliver leading client solutions to meet the global drive towards green buildings and energy efficiency. Our leadership in sustainability solutions is reflected through our client services. We retrofit commercial, government, industrial, health care, educational and other facilities to help produce energy savings, reduce environmental impact and comply with government regulations.

### **Data at a Glance**

The following selected financial data is derived from ABM's consolidated financial statements as of October 31, 2011. This information should be read in conjunction with our financial reports such as the Annual Report on Form 10-K and other periodic and current reports that we file with the SEC from time to time, which are [available here](#). Our common stock is listed on the New York Stock Exchange [NYSE: ABM].

Once again, ABM participated this year in the Carbon Disclosure Project ([www.cdproject.net](http://www.cdproject.net)), which operates as the world's largest global climate change reporting system. Stated emissions are based upon current data acquired as well as estimated assumptions based on historical data collected.

	Units	FY 2011	FY2010
<b>Financial</b>			
Revenue	Thousands	4,246,842	3,495,747
Operating Profit	Thousands	117,568	108,839
Operating Profit as a percent of Annualized Sales	Percent	2.77%	3.10%
Net Income	Thousands	68,504	64,121
<b>Stock</b>			
Common Stock High	Dollars	27.14	23.00
Common Stock Low	Dollars	17.29	17.94
Dividends declared per Share	Dollars	0.56	0.54
Registered holders (as of 12/9/11)		3,701	2,883

Note: ABM does not receive any significant financial assistance from any host government.

Our leadership  
in sustainability  
solutions is  
reflected through  
our client services.



The background features a close-up of green leaves with prominent veins, partially obscured by a large, semi-transparent blue overlay. The overlay has a white circular hole punch on its left edge. The text is centered in the lower half of the blue area.

# how we approach sustainability

As an industry leader, ABM recognizes the ever-growing necessity to maintain transparency and accountability in sustainability reporting. As such, we have addressed corporate sustainability within our Enterprise Risk Management (ERM) framework.

## Risks and Opportunities

As part of ABM's Enterprise Risk Management framework, the ABM risk portfolio is initially identified through a structured interview process with senior management. Risks in the portfolio are then evaluated with impact and probability risk rating scales by Risk owners – Risks are reviewed by the Risk Committee, which is comprised of cross-divisional and functional leadership. The Risk Committee agrees on the ranking of our company's key enterprise risks and sub-risks, risk-owner roles, responsibilities and identification and next steps.

ABM has moved forward with the integration of sustainability into our business strategy following the four key principles of responsibility in the following:

- *Responsibility in the workplace relates to a broad range of items including labor standards, talent management, diversity and inclusion, employee training and safety, and employee health.*
- *Responsibility in the marketplace revolves around client safety, service quality, responsible sourcing and supply chain management, and proper and responsible marketing practices.*
- *Responsibility in the environment is centered on our energy and resource efficiency, reducing or eliminating drains on the environments we share and reusing or repurposing products we use and distribute to maximize their lifecycle.*
- *Responsibility in the community is the culmination of the first three principals as those feed directly into how we affect the public at large within our circle of influence. ABM has the opportunity to positively enhance the quality of life for our employees and their families, our clients, their clients and customers and even the general public given the diversity of our business model and the scope of our efforts.*

Following this model, our multi-year action plan was created to outline how we will analyze our stakeholder needs, develop our CSR assessment and strategy and implement various programs and activities to empower our integration and execution. The results of this process are shared following the Global Reporting Initiative framework and the publication of our annual Sustainability Report.

All ABM business units are analyzed for risk, susceptibility for fraud and compliance by our ERM program, internal audit and the SOX team.

ABM has reviewed our risks and opportunities related to climate change and emission regulation changes, listing the outcomes of these reviews in our Carbon Disclosure Project Supply Chain submission ([www.cdproject.net](http://www.cdproject.net)). These risks and opportunities primarily revolve around clients reacting to carbon regulations by changing their employee totals and, thus, densities within existing buildings, closing buildings as a result of those changes and opportunities to improve the efficiency of their existing buildings.

Our service divisions have minimal risk related to regulatory requirements on climate change because our service model is labor intensive, not product-intensive. ABM's services are performed by our employees at client site locations and we do not manufacture products. Additionally, ABM has such a diverse client base from both an industry and geographic perspective that we are not heavily dependent upon one industry sector or geographic location for a majority of our business, limiting our regulatory risk. We could experience indirect exposure to such regulations and impacts through suppliers of cleaning products, cleaning equipment and changes in building engineering requirements, but these are a minor risk to our business model.

Additionally, ABM is committed to complying with all laws prohibiting child labor, including adherence to minimum age provisions of applicable laws and regulations. This includes ABM's internal workforce and our suppliers.

## Financial Implications and Risks/Opportunities for ABM Due to Climate Change Regulation

As stated before, one potential reaction of clients to carbon regulations is to make significant changes to their physical space and/or employee density with that space. Radical shifts in client employee density within existing space ABM services can dramatically affect our ability



**ABM will remain a sustained company, providing value in the shared world in which we all exist.**

to service an area with the existing labor. Due to climate change regulation, these radical changes may occur within the next five years as companies that are significantly affected by carbon regulation begin to consolidate people, resources and energy consumption in condensed areas. The primary driver of ABM's costs is labor dollars, and increases in density can change our costs to maintain the area at the same service level prior to the density changes.

Changes in the time required to maintain a more densely populated area may require more labor dollars in contracts, which do not allow for adjustments based upon the building census. Most clients recognize the change in scope and allow for contractual adjustments to maintain the service level desired. Our planning department, which ensures accuracy in workloading and pricing of contracts, evaluates the changes that these density adjustments make on our productivity and communicate it to our operations and sales teams.

Physical changes linked to weather extremes (hurricanes, earthquakes, flooding) do present opportunities for clean-up and building engineering activities that assist clients in rebuilding and returning their businesses back to pre-event status. Temporary disruptions to our ability to provide service in these areas affected may place temporary strains, but often this is mitigated by our diverse national footprint. Changes in temperature extremes can present opportunities to aid clients in upgrading or retrofitting electrical, lighting, HVAC, mechanical, controls, etc.

These additional services are not traditionally within our current contract scopes and, therefore, will be performed at additional cost to the client based upon contractually negotiated service rates or via negotiation or through RFP response depending upon the extent of the work being performed. ABM has built and maintains a diverse network of offices and employees throughout North America that allows us to assist regions that have experienced weather extremes (hurricanes, earthquakes, flooding) from regions not directly affected.

### **How our Approach to Sustainability has Evolved, and How it Affects Stakeholders**

Our approach to sustainability integration is based upon addressing known and perceived stakeholder needs. With our primary stakeholders being clients, employees and shareholders, people are our number one stakeholder category, and understanding the varied and sometimes intertwined needs of these groups is paramount to the success of all involved.

ABM identifies our stakeholders as those individuals that can affect or be affected by the Company's actions. ABM understands and believes in the concept that joint outcomes mutually benefitting all ABM stakeholders, as identified above, result in furthering the value of the organization as a whole. ABM stakeholders may contact ABM's Board of Directors and non-management directors through email or a direct letter. Contact information is [available here](#).





With ABM's service model executed on-site at our clients' locations, and often an integral part of our clients' sustainability integration (e.g. cleaning, facility maintenance, energy conservation, security, safety, etc.), our approach to sustainability is rooted in our service offerings. Through listening to our clients' needs and implementing sustainable service offerings they desired, our realization of the benefits of CSR became more apparent. The implementation of our sustainable service offerings quickly proved to benefit clients and their employees (marketplace), our employees (workplace) and fostered a reduction in the ecological drain through energy savings, reduced toxins, fuel reduction, etc. (environment).

Further, while not a carbon intensive company, we made the decision to identify and track our internal emission levels using GHG Protocol toolsets and to assess the Company's role, risks and potential gains in relation to climate change. We recognized that what we were doing to reduce emissions and risk for clients also worked well with our own business model goals (shareholder needs) and our employees' desire to contribute to the shared environment.

Through the review of several models and guidelines for addressing and communicating our CSR commitment and achievements, ABM decided to adopt the Global Reporting Initiative (GRI) guidelines as our framework. Using the GRI guidelines as the basis for our CSR self-assessment and strategy, our department heads learned to formally identify internal stakeholders' and/or the company's formal policies

in each division/department, and demonstrate how they addressed those stakeholder needs. While several company activities and programs were already in place or recently completed, others were enabled or improved upon as a result of the assessment.

The results of our CSR self-assessment allowed ABM to produce our first Sustainability Report and proactively communicate our commitment and accomplishments related to CSR to our clients, employees and shareholders, while giving them a platform to contribute additional feedback. External training has enhanced and accelerated our CSR strategy and helped define an improved assessment. These assessment improvements have identified the need to begin understanding and addressing our secondary stakeholders' needs in balance with our primary stakeholders. Following our multi-year action plan, ABM will integrate the four pillars of Responsibility in the Workplace, Marketplace, Environment and the Communities in which we operate into the policies, programs and daily operations of the company. By understanding our past and the clear direction of our future, ABM will remain a sustained company, providing value in the shared world in which we all exist.



# sustainability in ABM operations

While serving our clients remains our top priority, we also recognize the vitality in environmental stewardship as it relates to our own facilities and operations. The ability to improve our efficiencies while reducing our own carbon footprint is a fundamental principle of our commitment to sustainability.

ABM's large national and now global footprint means we're always near our current and prospective clients. With over 300 offices across North America, we are able to cut down on our travel, emissions and time delays.

Each of our branch office locations handles its own utilities. Therefore, we asked our branch office personnel to complete a web-based survey to efficiently aggregate the energy consumptions of their respective offices by known fuel type.

For offices in which the utilities are included/prorated within the lease agreement, as well as those for which actual data was not able to be secured with reasonable attempts, estimates of consumption from known offices

within that region and comparable square footage were used.

We have excluded activities occurring at client sites (40,000+) as those would be already included in our client's scope 1 and 2 calculations as well as the refrigerant leakage at this time of our leased office locations.

Direct vehicle fuel usage by type (gasoline, diesel, E85) by gallon for the time period was provided by our fleet management company and the corresponding information was entered into the mobile transport tool from Greenhouse Gas (GHG) emissions reporting. The increase of our Scope 1 and 2 emissions in the 2011 reporting period was due to several factors: With our primary Scope 1

Emissions - (July 1, 2010 - June 30, 2011)	Units	2011	2010
Scope 1 CO2 – e	Tonnes	47,683	26,413
Scope 2 CO2 – e	Tonnes	10,437	7,679
Scope 3 CO2 – e	Tonnes	1,311	1,599
Fuel used	MWh	198,195	111,609
Electricity Used	MWh	17,653	13,385

**ABM's Overall Fuel Consumption (Fleet and Office Locations) July 1, 2010 - June 30, 2011**

	Fuels	MWh
	Motor Gasoline	181,612.42
	Diesel/Gas Oil	7,570.83
	E-85	431.43
	Natural Gas	8,580.45
<b>Total</b>		<b>198,195</b>

emissions coming from ABM vehicles, improvements were made in both the reporting and management of our fleet to ensure that all fuel purchases were actually tracked. Additionally, there was an increase of fleet vehicles and office locations from The Linc Group, L&R Group and Diversco acquisitions which contributed to emissions. Finally, several multi-site, national accounts requiring route work were added over the reporting year.

ABM has a national distribution network servicing every major city across the U.S. These 47 strategically located distributors provide an efficient locally-based way for our employees to order and receive the products used in our daily service delivery to clients. These distributors receive and distribute products from our corporately approved suppliers, ensuring the consistency of our service delivery and streamlining the ordering process.

As a matter of good business, we've remained ever-conscious of forward-thinking ways to go green and operate more efficiently at our own facilities. Some of the measures and concepts we've undertaken during the 2011 fiscal year include:

- *Printing internal documents in "duplex" mode [on both sides of the paper], reducing paper usage by 14% - up from 10% in the previous year. Our current goals include increasing this to 20% in 2012.*
- *Payroll added 13,500 employees to our direct deposit program. Approximately 43% of the ABM workforce is now*

*paid electronically. We have also started the online pay advice program. We enrolled approximately 2,000 people in the program in FY 2011 resulting in a reduction in the annualized volume of paper pay advices printed/distributed of approximately 52,000. This is a program we also will continue to expand heavily in 2012.*

- *Building off of our paperless work order management systems (Corrigo.net) that were already in place, recent upgrades to the systems now provide us with the opportunity to copy multiple users on each job order. This enables us to send the work order directly to all key parties (e.g., subcontractors, ABM managers) - effectively expediting the process and reducing paper.*

## Billable vs Non -Billable FY

		Bill Back Settings		
		False	True	Total
ALL ACTIVE	WO# Count	162,426	90,019	252,445
TOTAL	WO# Count	162,426	90,019	252,445

## ABM IT Continues to Improve our Efficiency

Our in-house Information Technology department continued to expand on our "OneABM" initiative in 2011. The initiative, which began in 2008 and is now fully deployed, continues to streamline our communications through greater speed and efficiency of internal services, thereby creating cost savings and reducing our electrical consumption.

The 'OneABM' initiative has consolidated approximately 100,000 employees onto a unified enterprise resource planning system (ERP) and hundreds of disparate business applications throughout the ABM environment. This allowed for a scalable, robust and efficient infrastructure.

In 2011, ABM substantially increased its virtualization footprint from 74% to 94%, which is a significant improvement (27% in FY2011) in reducing power demands and our carbon footprint. In all, since the launch of OneABM ABM reduced its physical server footprint by nearly 75% by adopting virtualization, improved reporting performance by an average of 800% with high speed storage, and improved server processing times by 28% through new server systems. The environment was built with redundancy in mind, and can grow quickly to meet the demands of any future acquisition. Despite tremendous data, employee and system growth, ABM has continually

improved the performance and stability of the entire environment.

With such a large mobile workforce, supporting mobility has been core to the ABM IT deliverables. Nearly every single system can now be accessed through a browser on a mobile device, and ABM now fully supports 26 different mobile devices including IPADS, Tablet PC's and slates from all major vendors and operating systems including Microsoft, Apple, Google Android, and Blackberry.

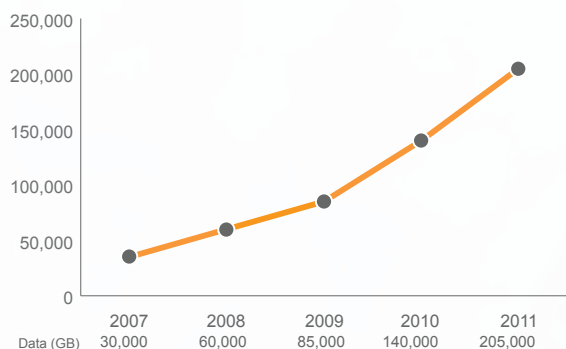
A fully integrated client portal has been released ([customer.abm.com](http://customer.abm.com)) which provides the ability for our clients to view inspection reports, manage and view the status of work orders, pull invoices online, view on-premise reporting (a homeland security requirement) for employees currently working at high profile clients, pay via credit card, upload documents, view all relevant account data and more.

National accounts receive a single unified invoice for all services and jobs that ABM provides, as well as electronic and EDI invoicing. Clients have the ability to utilize our inspection systems to self-inspect their facilities, and in some cases we have full and seamless integration between our work order systems feeding directly to the clients work order systems, providing clients visibility into the

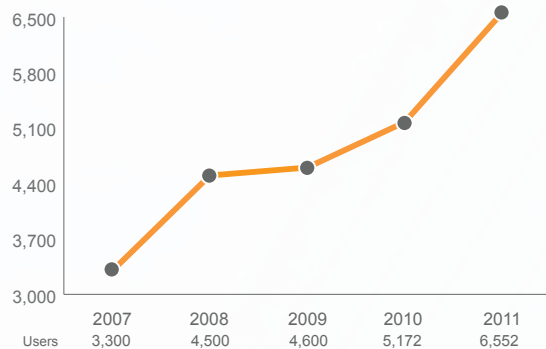
status where ABM services a building, as well as to reduce call center and administrative costs for both ABM and our clients. For a full rundown of our quality control measures, please [visit here](#).

With ABM's data growth performing at 2.5 times industry average (\*Gartner 2011 Data Growth Statistics), and numerous acquisitions, the OneABM initiative completely replaced its previous outdated infrastructure and put into place a new, 100% virtualized VMware environment, Cisco Nexus switching environment, IBM XIV high performance storage for database reporting, and new ISeries systems for our JD Edwards platform.

**SYSTEM DATA**



**USERS**



**Responsible Marketing Practices**

Maintaining the twin goals of consistently and accurately depicting our services and brand while reducing costs and resources to do so remained a primary focus for the ABM Marketing department in 2011. ABM is utilizing a

print on-demand website to quickly and accurately update and provide materials to our offices across the country, while reducing excessive waste in the process. This allows for digital prints of much of our collateral on demand, and in most cases offers online pdf versions of our materials for ABM employees, thereby reducing shipping costs and paper usage in many instances. We also store offset materials here, when absolutely necessary to print and store, allowing us to maintain inventory of printed materials and responsibly distribute or recycle those.

As mentioned earlier, ABM has recently undertaken the most comprehensive and significant rebranding effort in our 103-year history. The foundation for the rebrand launch in early 2012 was laid throughout fiscal year 2011, as we sought the most responsible practices for creating new collateral as well as for disposing, utilizing and recycling our old collateral materials. Those materials include offset stationery, envelopes, letterhead, brochures, forms, old tradeshow booth materials and much more. Prior to the launch of the new brand, ABM's offset printer was instructed to distribute all existing printed collateral (upon request) to offices across the country in an effort to use up materials we have developed and accumulated.

Concurrent to our responsible management of our existing branding collateral, we began thinking of 'greener' processes for our new collateral materials. Examples of those include:

- Covers/backs printed on materials made with recycled water bottles - available print-on-demand
- Cover sets and tabs
  - Forest Stewardship Council (FSC) Chain of Custody (COC) certified
  - Sustainable Forestry Initiative (SFI) certified
- Binders
  - Wrap and liner is 10% post-consumer FSC certified
  - Board is recovered board and FSC certified
  - Matt film is eco biodegradable
  - Metal can be removed and recycled
- We are printing all proposals double-sided
- Increase in on-line bids has helped reduce the number of hard copies distributed via various shipping methods around the country



Additional ways we are sustainably marketing include:

- We continue to update our website to provide comprehensive information.
- We are leveraging technological marketing practices versus traditional methods, including QR codes in lieu of collateral; search engine optimization and pay-per-click methods rather than direct mail; social media; print-on-demand website, as mentioned before.

ABM's business-to-business marketing practices continue to be compliant with the ICC International Code of Advertising, where applicable, as it relates to advertising and marketing communication in its entirety. This includes:

- Responsible messaging (i.e., legal, decent, honest and truthful) defined for the appropriate targeted audiences.
- Sourced technical data and statistics that are substantiated, and include the ABM brand name, value proposition, and contact information.
- An established review process by Corporate Marketing, Legal, internal subject-matter-experts and executive management for ensuring the company represents itself appropriately and with goodwill.

- Application for and ongoing maintenance and documentation of company trademarks that are properly applied for and managed by our Corporate Marketing and Legal departments through the U.S. Patent & Trademark Office.
- Copyrighting of all marketing communications on the company website, which includes industry expert articles/white papers and sustainability processes.
- The truthful depiction of safety and health practices in images (e.g., of ABM employees in action) used for marketing communications.
- Adhering to ABM's data privacy protection policy, which discloses data collection methods (i.e., data collected automatically, "cookie," volunteered information). The policy is posted on the company web site.

Environmentally responsible marketing communications printing practices which include:

- Printing smaller digital quantities on recycled Mohawk 50/10 paper, manufactured entirely with green e-certified wind-generated electricity via our online print-on-demand system.
- Our partnering with offset printers who are Forest Stewardship Council (FSC) certified for paper manufacturing and printing processes. This is displayed thru the FSC certification logo on applicable marketing communications.



**ABM's large national and now global footprint means we're always near our current and prospective clients.**

ABM has no reported incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

### **Looking Forward to 2012**

We have a number of initiatives already underway for 2012 that we believe will yield promising results in our sustainability mission. Some of those include:

- *We will be coordinating with our offset print inventory storage provider to track recycling for offset materials that cannot be used.*
- *Recycling will also include the existing 20x30 booth we have been using for tradeshows; we have also been in discussions with a certain higher education institution about donating this to them in 2012.*
- *NanoShapes circular digital signage for the new brand – Eco friendly – this is being designed as a green alternative. One display draws about as much power as a household appliance and can be plugged directly into a normal 110-volt wall socket. Additionally, NanoShapes displays are made from up to 50% reclaimed material and can be completely recycled.*

The background of the page is a photograph of a person wearing a bright green lab coat. The person is holding a clipboard with a white sheet of paper. The image is slightly blurred, giving it a professional and focused appearance. A large, semi-transparent green rectangle is overlaid on the right side of the image, serving as a background for the text.

# sustainability in ABM services



By assisting our clients in identifying and mitigating their sustainability risks and opportunities, we help them positively improve their sustainability and interaction with the environment.

As a facility solutions provider, our primary assistance in emission reduction activity relates to the provision of environmentally sustainable service offerings for clients, aiding their own emission reduction strategies.

### ABM Green Care™

The ABM Green Care™ program, originally implemented in 2006, is currently green cleaning more than 300 million square feet of building space. The ABM Green Care™ program includes the following:

- *Cleaning products with reduced volatile organic compounds*
- *Post-consumer recycled paper products*
- *Client assistance for recycling activities*
- *Daytime cleaning to reduce energy consumption*

As a member of the U.S. Green Building Council [USGBC], we continue to offer specific products and procedures for buildings to maintain certification through the Leadership in Energy & Environmental Design [LEED] Rating system.

#### Sum of Gross Square Footage (in million)

Leed Certified	138,800
Initial Phase	98,100
Leed Registered	74,300
Grand Total	311,200
Number of LEED Certified Buildings	271

### Facility Solutions

We also directly assist clients seeking to reduce their carbon footprint, energy consumption and energy costs through a range of energy management solutions – from analysis and audits to commissioning and maintaining engineering-efficiency systems.

Our acquisition of The Linc Group early in the 2011 fiscal year has significantly expanded our client offerings. The Linc Group provides end-to-end integrated facility

services that improve operating efficiencies, reduce energy consumption and lower overall operational costs of critical facilities, installations and buildings in the government, commercial and residential markets.

### ABM Energy

With rising energy costs having profoundly negative impacts on many businesses, governments and individuals around the world, organizations must be prepared to weather the difficulties of escalating utility costs. ABM Energy is our new energy-technology epicenter for clients and business partners. We are able to optimize energy efficiency for clients' and partners' properties through expertise across multiple disciplines:

- *Supply-side energy contracts (electricity and natural gas)*
- *Leading-edge technology and cloud-based building automation*
- *Regional variances in regulated and deregulated utility markets*
- *Demand response programs*
- *Demand-side energy efficiency assessments and improvements*
- *Electrical, lighting, HVAC, mechanical, controls and engineering trade experience*
- *Energy monitoring and energy management*

### Electric Vehicle Charging Stations

Further emphasizing our commitment to providing dependable, advanced energy-related services, ABM began installing electric vehicle charging stations at certain client locations around the country. Read the following press release to learn about how ABM installed [EV Charging stations](#) for a client in Southern California in 2011.

Additionally, read this press release to learn about how ABM installed [Electric Vehicle Charging Stations](#) at another Southern California location in Laguna Beach.

## Energy Performance Metrics table

### Energy Performance for Existing Buildings

Most Recent 12 Months

EPA's Portfolio Manager

How many of your customers' buildings have you benchmarked through EPA's Portfolio Manager? (Energy Performance Scores or EUIs)	425*
How many of these buildings were benchmarked more than once?	201**
What percentage of all your customers' buildings have you benchmarked through EPA's Portfolio Manager?	47%*
How many of your customers' buildings have received the ENERGY STAR Label?	201**

### Continuous Improvement of Building Energy Performance

Most Recent 12 Months

EPA's Portfolio Manager

How many buildings improved their energy performance rating score by 10 points or more?	2
What percentage of all your customers' buildings have improved their energy performance rating by 10 points or more?	.5%

### ENERGY STAR Leaders –

### Continuous Improvement of Portfolio-wide Energy Performance in Buildings

Most Recent 12 Months

EPA's Portfolio Manager

How many of your customers' portfolios have improved their energy performance rating by 10 points or more?	0
How many of your customers' portfolios have an average energy performance rating of 75 or better?	4***

\* Where ABM is contracted to do so, ABM benchmarks the buildings. In addition, ABM labels all of the buildings that we are contracted to label, if they qualify.

\*\* ABM continuously benchmarks most of the buildings in our portfolio. Many of the buildings in our portfolio qualify for automated benchmarking. The 201 buildings represent the number of buildings that have been labeled by ABM in the past 12 months. These buildings required an on-site visit by a licensed professional engineer (ABM Energy Services), which includes benchmarking the building again.

\*\*\* ABM has six main portfolios in place for our largest clients, one of which is Glenborough.

## Energy Star Partner of Year Comparative Energy Performance Report

Facilities included: All

Number of facilities in report: 414\*

	Year ending 10/2010	Year ending 10/2011	Change
Total Floorspace (sq. ft.)	93,577,672	93,478,765	-98,907
Average Rating	85	85	0
Number of Facilities with a Rating	258	120	-138
Number of Non-ratable Facilities*	156	294	138
Total Site Energy Use (kBtu)	4,407,675,197	1,807,533,938	-2,600,141,259
Total Weather Normalized Source Energy Use (kBtu)	17,036,532,102	13,895,827,824	-3,140,704,278
Average Weather Normalized Source Energy Intensity (kBtu/Sq. Ft.)	182.1	148.7	-33.4
Average Site Energy Intensity (kBtu/Sq. Ft.)	47.1	19.3	-27.8
Total Site Electric Use (kWh)	1,069,903,988	451,098,512	-618,805,476
Total Site Natural Gas Use (Therms)	5,864,465	2,424,670	-3,439,796
Average Actual Annual Source Energy Intensity (kBtu/Sq. Ft.)	138.9	58	-80.9

\*Non-ratable buildings are defined as buildings that currently are ineligible to receive the ENERGY STAR rating due to its operating characteristics and/or building type.



## Looking Forward

Recently, ABM announced the formal charter of ABM Energy to implement energy technologies that are designed to reduce clients' energy consumption and operating costs and to meet the growing demand within the green sustainable building market.

ABM Energy will work across all of the Company's businesses to identify and deploy technologies and solutions that drive energy efficiency and sustainability – from state-of-the art building improvements and electric vehicle charging stations to renewable energy sources and cogeneration systems.

## ABM Parking Services

ABM Parking Services implements a number of Green Care™ solutions, such as:

- *ABM Parking Services and subsidiary Healthcare Parking Systems (HPSA) offers discounted parking for people who share rides or participate in van pools.*
- *Flex fuel and alternative fuel vehicles—more than half of our shuttles use natural gas or propane, running 11 million miles a year.*
- *Vehicle washing (including water reclamation systems) according to local environmental regulations.*
- *Motion sensitive light switches in the parking and office storage areas. The motion sensitive switches automatically shut off lights if there is no movement in the area for a specified time, saving energy.*

## ABM is Proud to Partner with the Green Parking Council

ABM proudly serves as a Platinum Level Partner of the Green Parking Council (GPC), a 501c3 non-profit organization that provides leadership and oversight for green conversion of parking facilities to sustainable, environmentally responsible assets. GPC is dedicated to expanding green parking practices through developing certification and credentialing programs, open-sourced standards, professional leadership and educational development and training for organizations and individuals in the parking industry.

## City of Galveston, Texas (Case Study) – Parking

In 2008, Hurricane Ike devastated Galveston's Historic District, flooding nearly 75% of the Texas island, wrecking its tourist-based economy. Amidst the devastation, every parking meter in the City was destroyed by salt-water infiltration.

ABM's Ampco System Parking worked with Galveston to rebuild the parking infrastructure, implementing a high-tech, cost-effective, tourist-friendly solution. Ampco installed a system featuring 100 solar-powered meters that communicate wirelessly with each other to provide real-time monitoring, while giving visitors the convenience of remotely paying for parking from any City meter, parking station, or cell phone. In addition, the meters provide public Wi-Fi access city-wide—providing a convenient, free entry point for Internet access to visitors.

Alicia Cahill, City of Galveston: "Ampco's assistance in restoring parking and implementing this state-of-the-art, customer-focused program—(while) delivering public Internet access downtown—is an important part of the rebuilding of our historic downtown."

## ABM Security Services

### ***Our security offerings have a two-pronged sustainability approach***

We seek the highest trained professionals in the industry, and we provide clients with leading-edge technology to help them operate as efficiently as possible.

### ***Recruiting security personnel***

ABM Security Services seeks the highest-caliber talent available, including former police officers and retired military personnel. A significant percentage of candidates fail to pass our stringent selection process.

### ***Training***

The ABM training program includes a variety of components and training mediums such as classroom, video, home study, and handbooks. We own a video training library of more than 200 videos and also offer web-based, on-demand advanced training.

### ***New Employee Training***

After orientation, new employees receive training covering:

- *The importance of a Security Officer*
- *Characteristics of a "good" Security Officer*



We seek the  
highest trained  
professionals in  
the industry.

- *Responsibilities & functions of the Security Officer*
- *Patrolling*
- *Report writing*
- *Security Officer safety*
- *Fire/life safety*
- *Client service*
- *Performance evaluations*
- *Powers of arrest*
- *Public relations*

At the conclusion of each class, we administer a written examination that the employee must successfully complete. We individually discuss any errors to ensure

the employee understands the correct answers. Read more about ABM Security Services' training methodology [here](#).

#### **Technology**

Round-the-clock technology also helps us successfully manage security communications in a near-paperless environment. ABM's interactive web-based data collection and reporting system allows us to administer our services more efficiently. At the same time, we can provide clients with real-time orderly reports and meaningful charts on demand delivered to desktops or PDAs. Through the use of this system, we're saving more than 100,000 paper forms a month. Not only does this benefit the environment, but it eliminates risks associated with paper forms and manual record keeping.



how we  
value  
our people

At ABM, people are our most valuable asset. It has been that way for 103 years. In fact, as we recently rebranded the company and set our new vision, the value of our employees was at the forefront of our thinking, language and approach – including reflecting the image of an employee in the “M” conveyed in our new logo. At the heart of our rebranding is the concept of “OneABM” – bringing together the collective strength of our broad and diverse workforce of around 100,000 employees with deep industry experience and expertise.

We strive to be an employer that attracts and retains highly skilled and diverse individuals. Rich diversity has always been a principal feature of our workforce, and will continue to be throughout our future. Further, we pride ourselves on being an inclusive organization that promotes a culture of learning, teamwork and mutual accountability. With over 300 offices located throughout the country, ABM offers job opportunities in a variety of disciplines. For more information, visit our [careers section](#) on the Company website .

## Diversity and Human Rights Sustainability

Founded on the company’s core values of respect, integrity, collaboration, innovation and excellence, ABM recognizes that diversity and inclusion, and how we treat each other, provide distinct business advantages. In an increasingly

global marketplace it is critically important that the rich experiences, backgrounds and skills of our diverse employee population are fully embraced to help us meet the diverse needs of our clients.

Our pledge to diversity and inclusion encompasses our commitment to equal employment opportunity and affirmative action. ABM will not discriminate on the basis of race, color, religion, sex, national origin, age, creed, sexual orientation, disability, ancestry, marital or veteran status, or any other protected status covered by law.

And, as a federal contractor, ABM also has Affirmative Action programs and policies — including proactive outreach efforts — which are designed to create equal employment opportunities for all, including individuals with disabilities, veterans, women and minorities.

TOTAL EMPLOYEE COUNT as of 10/31/11 96,819\*

### Employee Breakdown

	Total	% Male	% Female	% Minority	Age<30	Age 30-50	Age >50
Board	9	78%	22%	22%			100%
MGT	4128	72%	28%	46%	6%	55%	39%
Non-Mgt	92682	58%	42%	75%	20%	48%	31%

\*This number includes the board members



[click here](#) to read about the “CEO in Leadership Action Winners”

## Employee Training

ABM is dedicated to maintaining and improving its human capital through training and development course offerings, which supports overall employee career progression and ensures equal opportunity in the workplace. Various learning and development programs at ABM include:

- *Annual harassment prevention training*
- *Regional supervisory training*
- *Management development training*
- *Civil Treatment for Managers class*
- *Safety/OSHA standards and procedures at the management level and other course offerings at the service worker level across all divisions*

ABM recognizes training and development contributes to motivating improvement at the personal and organizational level.

Approximately ten hours of training are devoted to ABM management level employees, while service level employees are given approximately 25 hours (on average) of training. All ABM management level employees participate in the goal setting process and attend corporate sponsored training courses in addition to courses offered at the divisional level nationwide emphasizing client service, safety practices, business ethics, professional development courses, and contractual training agreements are also offered by ABM to its large client-base.

Additionally, ABM offers internal employee training and assistance programs that equip employees to meet strategic targets in a changing work environment. This includes training on how to handle case-by-case problems that should arise from any one of our varied clients in each of our divisions.

ABM also supports continued professional development and educational services through tuition reimbursement funding for its employees. At this time, pre-retirement planning for intended retirees, assistance transitioning to a non-working life, and retraining for those intending to continue working are offered. However, ABM does offer severance pay (taking in employee's years of service) and job placement services in certain situations. A more skilled and aware workforce enhances the organization's human capital and contributes to employee satisfaction, which correlates strongly with improved performance.

## Our Code of Business Conduct

ABM's annual Code of Business Conduct and Anti-Harassment Training are required for all staff and management employees. The Code of Business Conduct has been updated to include language concerning the Company's government contracting activities. The Code of Business Conduct training tool also has been modified and updated to include questions specifically concerning anti-bribery and anti-corruption compliance, political contributions, personal relationships, information systems usage and the overall ethical environment at ABM. Links to policies related to the Code of Business Conduct have also been updated in the Code of Business Conduct and Anti-Harassment Training program.

All directors, officers and employees of ABM and its subsidiaries and affiliates adhere to a [Code of Business Conduct](#). We give new employees a copy of the code, we post it in company break rooms, and each year we require certain management employees to review the Code and attest to compliance with it. Our Code of Business Conduct is approved by our Board of Directors. While our Code requires us to comply with applicable laws and regulations where we do business, it is not only about compliance. Rather, it provides us with an ethical framework for achieving our goals by focusing on areas of ethical risk and providing tools to help our people recognize and deal with ethical risks; report unethical conduct; and preserve and nurture our culture of honesty, integrity and accountability



## Turnover Data as of 10/31/11

Annualized Turnover

	Overall	Voluntary	Involuntary
Enterprise	51.2%	22.7%	28.5%
COR-Corporate	19.2%	9.0%	10.2%
FSG-Facility Services	35.5%	9.8%	25.7%
JAN-Janitorial	52.6%	22.9%	29.7%
PRK-Parking	50.0%	21.8%	28.2%
SEC-Security	52.2%	28.2%	24.0%
Staff & Mgmt	26.2%	11.2%	15.0%
Service	52.8%	23.4%	29.4%

## Bargaining Agreements

### Employee Union and Employment Status Breakdown

Employees	Union	Non-Union	Full-time	Part-time
96,810	66%	34%	69%	31%

## Providing a Safe Workplace

### Fundamental Philosophy and Guiding Principles

Safety is a core value that is integrated into the operational activities ABM employees perform. From basic cleaning procedures to complicated and hazardous electrical work, if we cannot do the job safely, ABM will not do the job.

Safety is a responsibility that every employee is expected to take personally, and the Company strives to do its part to see every employee leaves the workplace every day in the same condition as they arrived (i.e uninjured)...

Safe In – Safe Out.

At ABM, safety is a foundational pillar in the culture of the Company; when our work is carried out safely it is often done properly and with higher quality. A safe work environment improves profitability at each client by:

- Keeping our most important resource – our people – at their jobs
- Minimizing interruptions in our work schedules due to incidents

- Minimizing time spent on responding to workplace incidents and post-incident management

- Eliminating expenses associated with ABM or client-owned equipment/material repair due to an incident

- Minimizing expenses associated with liabilities arising from ABM incidents involving 3rd parties

- Improving client relations, which impacts retention efforts

ABM is currently recalibrating its enterprise and divisional safety programs to become more in-line with “best in class” models. Updated Injury and Illness Prevention Programs (IIPP’s) are near completion, referencing American National Standards Institute’s (ANSI) Z-10, OSHA’s Voluntary Protection Program (VPP), California’s IIPP and the international Occupational Health and Safety Assessment Series (OSHAS) 18001 specifications. We plan to report more on these programs in our 2012 report.



## Applying ABM Standards to Partners

ABM understands that safety performance accelerates when it effectively partners with clients' safety professionals. The partnership helps improve the overall performance and strength of each other's safety and health efforts. The results are strong business relationships and a continued pursuit of world-class safety programs. To promote the safest work environment for employees, ABM conducts several fundamental safety activities at the job site. We:

- 1) Perform a **Site Hazard Assessment** at the client's location(s) prior to commencement of operations - to assist ABM management and employees in mitigating potential hazards in the workplace.
- 2) Create a **Safety Plan**, based on the site hazard assessment, to address any hazards and provide appropriate training to ABM employees assigned to the client's site(s).
- 3) Conduct the appropriate employee **Orientation and Training** regarding the hazards of the job before the first assignment is given and then conduct appropriate team and/or one-on-one training as needed.
- 4) Communicate regularly that if an employee is unsure how to do his/her job safely, or feels the work conditions are unsafe, he or she has the **right to stop the work** and get the help necessary to ensure that the job is done safely and properly.
- 5) Ensure that ABM managers and supervisors **never ask an employee to do a job** that he or she has not been trained to do safely.

## Training and Safety Awareness

ABM training systems and programs match the needs of clients, the responsibilities of employees' positions, and the work environment in which they perform their job tasks. ABM programs present comprehensive instruction in the skills required for employees to safely and effectively perform assigned job duties. ABM's curriculum also includes safety management training for operations leaders to promote safety considerations in all operational decisions. Training methodologies include the use of "hands-on" demonstrations, role-play, video and DVD presentations, formal classroom instruction, off-site seminars and on-site training meetings.

## Key Rates

ABM's attention to safety in the workplace and aggressive claims management has allowed it to hold the experience modification rate (EMR) and OSHA total recordable case (TRC) and Days Away from Work and Restricted Activity (DART) rates at low levels.

## ABM OSHA Rates

	TRC	DAFW	DART	Hrs Worked
2009	3.304	1.477	2.465	148,003,821
2010	3.070	1.513	2.321	142,326,786
2011	3.135	1.438	2.429	153,096,731

A group of people, including a woman in a white dress and a man in a blue shirt, are holding hands in a circle. The image is overlaid with a semi-transparent blue and white gradient. The word 'Stockholm' is faintly visible in the background.

# ABM in the community

## Client Recognition and how we give back

ABM is committed to operating under a core set of fundamental values:

- *Respect*
- *Integrity*
- *Collaboration*
- *Innovation*
- *Excellence*

These values intertwine to provide a baseline mentality for how we operate, and nowhere is that more evident than in how we take responsibility for our activities which impact stakeholders and the environment.

## Supporting Our Communities

We believe that in order to be a good business leader, we must also be a good community leader. We support many different programs and endeavors that help fuel the social and economic vitality of various community sectors.

## Supporting Improvement Districts

Through ABM's business improvement partnership program, we are providing several socially focused programs to ensure employment to members of those communities – ABM operates in 20 improvement districts across the United States. Some of these social service programs include:

- *Homeless shelters*
- *Welfare to work*
- *Special needs*
- *Veterans*
- *Court sponsored community service*
- *Substance abuse recovery*

## ABM Giving Back to Schools

### Hawaii Public School Assistance

In July, 13 ABM employees formed two teams to participate in a community outreach day to help preserve the beauty of Hawaii's public schools. One team traveled to Aliamanu

Middle School in Salt Lake and the other traveled to Honowai Elementary. The teams scraped and repainted curbs. They also re-stripped faded parking stalls, crosswalks and the bus zone in front of the school. ABM received a glowing letter of acknowledgement and thanks from State of Hawaii Department of Education Superintendent Katherine L. Matayoshi for its work.

In October, employees from the ABM Hawaii Engineering team participated in the 'Adopt-A-School' program organized by the local Jaycees. The 30 employees divided into groups to help three public schools with special projects, including painting, digging trenches and electrical work. The schools included Jarret Middle School, Palolo Elementary and Kaimuki High School.

### College Scholarship Fund

In fiscal year 2011, ABM established the Morton-Sweig Scholarship at Pace University. This donation goes towards Pace University's general scholarship fund.

### ABM Supports International and American Red Cross

In fiscal year 2011, ABM made financial contributions to the International Federation of the Red Cross in support of Haiti earthquakes relief.

Additionally, at the 2011 Building Operators and Managers Association (BOMA) national convention in Washington D.C. in June, and in conjunction with the American Red Cross, ABM sponsored a blood drive by providing refreshments to donors – blood donated went to Metropolitan Washington, D.C. hospitals.

Our local offices support a variety of charitable efforts. Our list of community activities grows and changes year after year as we continue to encourage a corporate culture of giving. Some of the organizations to which ABM offices have donated in the past include:

- *American Heart Association*
- *Habitat for Humanity*
- *Junior Achievement*
- *Juvenile Diabetes Foundation*
- *Make-a-Wish Foundation*
- *Muscular Dystrophy Association*
- *Special Olympics*
- *American Red Cross*



At ABM,  
we promote  
and encourage  
a charitable  
way of life.

In 2011, we participated in the following corporate sponsorships:

- *Institute for Irish American Studies*
- *BOMA Membership Directory*
- *Galveston Chamber of Commerce*
- *AIR Society*
- *Covenant House New York*
- *Prevent Child Abuse - NJ*
- *Pace University Leaders in Management Awards*
- *IREM Orange County*
- *National Multiple Sclerosis Society*
- *Long Island Children's Museum*
- *DAS Gala*
- *Danish-American Society*
- *Heart of the Hamptons Ball*
- *US Airways Education Foundation*
- *Rogosin Institute*
- *Chinese Opera*
- *Thomas Hartman Foundation for Parkinson's Research*
- *Pocono Mountain Community Fundraiser*
- *Teeing off to Change Lives - St. Jude Hospital*
- *TAMFI*
- *Linda Creed Breast Cancer Foundation*
- *Children's Trust Fund*

- *Outreach*
- *Catalog For Giving*
- *Boston Business Journal*
- *Boy Scouts of America*
- *Great Friend to Kids Awards*
- *LA Police Foundation*
- *Tiro A Segno Foundation*
- *Special Olympics of NY*
- *Muscular Dystrophy*
- *Boston Business Journal*

ABM will strive to continue to operate as a responsible corporate citizen and encourage our employees to serve the best interests of clients and the community.

### Recognition for Our Integrity and Expertise

Client Related:

*Jones Lang LaSalle Supplier of Distinction Award*

Third Party and Industry Related:

- *The International Association of Business Communicators (IABC) Silver Flame award in the "Integrated Marketing Campaign - Event Marketing" category in 2011.*
- *The Association for Corporate Growth (ACG) Orange County Chapter Green Award to Linc at the 16th Annual ACG Awards Event*

# APPENDIX

## GRI Content Table

● Fully Reported ○ Partially Reported

	STANDARD DISCLOSURES	SECTION	COVERAGE
<b>1</b>	<b>Strategy and Analysis</b>		
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	CEO Statement	●
1.2	Description of key impacts, risks, and opportunities.	CEO Statement Risks and Opportunities Financial Implications and Risks/Opportunities for ABM Due to Climate Change Regulation	●
<b>2.</b>	<b>Organizational Profile</b>		
2.1	Name of the organization.	Introduction	●
2.2	Primary brands, products, and/or services.	Building Value through Sustainability ABM Operational Structure and Service Offerings	●
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Building Value through Sustainability ABM Operational Structure and Service Offerings Significant Changes This Year	●
2.4	Location of organization's headquarters.	About ABM	●
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	About ABM	●
2.6	Nature of ownership and legal form.	About ABM	●
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	About ABM	●
2.8	Scale of the reporting organization	About ABM Data at a Glance	●
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Significant Changes This Year	●
2.10	Awards received in the reporting period	Recognition for Our Integrity and Expertise	●
<b>3.</b>	<b>Report Parameters</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Introduction Report Parameters	●
3.2	Date of most recent previous report (if any).	Report Parameters	●
3.3	Reporting cycle (annual, biennial, etc.)	Report Parameters	●
3.4	Contact point for questions regarding the report or its contents.	Introduction	●
3.5	Process for defining report content	Introduction Report Parameters	●
3.6	Boundary of the report	Report Parameters	●
3.7	State any specific limitations on the scope or boundary of the report	Report Parameters	●
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Report Parameters Significant Changes This Year	●
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	Report Parameters Significant Changes This Year	●
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Report Parameters Significant Changes This Year Sustainability in ABM Operations	●
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI Content Table	●

## APPENDIX

### GRI Content Table

3.13	Policy and current practice with regard to seeking external assurance for the report.	Report Parameters	●
<b>4.</b>	<b><i>Governance, Commitments, and Engagement</i></b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Governance structure	●
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Governance structure	●
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Governance structure	●
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	How our Approach to Sustainability has Evolved, and How it Affects Stakeholders	●
4.14	List of stakeholder groups engaged by the organization	How We Approach Sustainability How our Approach to Sustainability has Evolved, and How it Affects Stakeholders	●
4.15	Basis for identification and selection of stakeholders with whom to engage.	How We Approach Sustainability How our Approach to Sustainability has Evolved, and How it Affects Stakeholders	●

ECONOMIC PERFORMANCE INDICATORS		SECTION	COVERAGE
EC1	Direct, economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital.	About ABM, Annual Report ( <a href="http://investor.abm.com">http://investor.abm.com</a> )	●
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Financial Implications and Risks/Opportunities for ABM Due to Climate Change Regulation	●
EC4	Significant financial assistance received from government.	Data at a Glance	●
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	How we value our people	◐
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Supporting Our Communities	●

ENVIRONMENTAL PERFORMANCE INDICATORS		SECTION	COVERAGE
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Sustainability in ABM Services	●
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Sustainability in ABM Operations ABM IT Continues to Improve our Efficiency	●
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Data at a Glance Sustainability in ABM Operations ABM IT Continues to Improve our Efficiency	●

LABOR PRACTICES INDICATORS		SECTION	COVERAGE
LA1	Total workforce by employment type, employment contract, and region.	How we value our people	◐
LA2	Total number and rate of employee turnover by age group, gender, and region.	Employee training	◐
LA4	Percentage of employees covered by collective bargaining agreements	Employee training	●
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.	Training and safety awareness	◐
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Diversity and Human Rights Sustainability	●

HUMAN RIGHTS INDICATORS		SECTION	COVERAGE
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Employee training Our Code of Business Conduct	●
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Risks and opportunities	●
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.	Risks and opportunities	●



HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Employee training ABM Security Services	●
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SOCIAL PERFORMANCE INDICATORS		SECTION	COVERAGE
S02	What is the percentage and total number of business units analyzed for risks related to corruption?	Risks and Opportunities	●
S03	What is the percentage of employees trained on anti-corruption policies and procedures?	Employee training	●
S05	Public policy positions and participation in public policy development and lobbying	Governance Structure	●

PRODUCT RESPONSIBILITY INDICATORS		SECTION	COVERAGE
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Responsible Marketing Practices	●
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	Responsible Marketing Practices	●





# APPENDIX

## GRI APPLICATION LEVEL CHECK

The 2011 Sustainability Report presents the commitments and the achievements of ABM in relation to its overall economic, environmental and social performance, as well as all related improvements made within this period throughout its US operations.

ABM has self-declared their 2011 Sustainability Report to be Application Level C+.

Centre for Sustainability and Excellence (CSE) has checked and confirmed that ABM has satisfactorily applied the Global Reporting Initiative (GRI) Reporting Fully Reported framework, as specified by G3 Guidelines. The 2011 Sustainability Report meets the requirements of GRI G3 Version 3.0 Application Level C+.

Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures	 <p>Report On: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15</p>		<p>Report on all criteria listed for Level C Plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17</p>		Same as requirement for Level B	
	 <p>Not Required</p>	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
	 <p>Report on a minimum of 10 Performance Indicators, at least one from each of Economic, Social and Environmental.</p>		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human Rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

## ASSURANCE STATEMENT INTRODUCTION

The Centre for Sustainability and Excellence (CSE) was commissioned by ABM to provide external assurance and commentary, and to undertake a third-party Application Level Assessment based on the requirements of the Global Reporting Initiative (GRI) G3 Guidelines for its 2011 Sustainability Report.

The overall goal of this process is to provide reassurance to ABM's stakeholders that the information is accurate, reliable, objective, and covers material areas.

CSE used the Global Reporting Initiative (GRI) G3 guidelines in order to assess Sustainability Report key elements. The process also involved a GRI G3 Application Level Check.

This work included an independent assessment through discussions, and the collection and validation of sample quantitative data for 2011, reflected in the Sustainability Report.

Our conclusions and overall opinion have been made on the basis of supporting objective evidence and review of ABM documentation. We believe that our work provides an appropriate basis for our general conclusions mentioned below:

## ASSURANCE STATEMENT

Based on the above methodology, CSE performed an independent assessment of ABM and its underlying structures, procedures and company results for 2011. We took into consideration the fact that ABM offers a diverse set of services and is active through its subsidiaries throughout the United States.

We believe that our work provides an appropriate basis for our general conclusions mentioned below:

- *ABM has a good understanding of its direct and indirect, global and local impacts across all aspects of its operations. It is a people-driven organization focused on addressing its key material issues in a sustainable manner.*
- *ABM is focused on the development of vision, strategy and associated policies and governance processes that, apart from integrity and high levels of performance, demonstrate its commitment to sustainability.*
- *Good practice has been demonstrated in a number of specific internal and external initiatives.*
- *ABM has identified financial implications, risks and opportunities for its activities due to climate change.*
- *ABM has identified requirements of stakeholders and opportunities arising, and has undertaken initiatives to provide energy-efficient services.*
- *ABM has been undertaking initiatives related to the identification and reduction of energy consumption.*
- *ABM has a high standard for internally responsible marketing programs.*
- *We encourage ABM to continue to focus on putting processes in place for the implementation of its sustainability practices and achievement of goals. Specifically, for measuring progress made in key areas related to Economic, Environmental, Human Rights, Labor, Society and Service/Product Responsibility.*
- *We encourage ABM to continue on its journey towards sustainability and identify the environmental, social, and economic impact of its innovative solutions, activities and business approach to its key stakeholders.*
- *The scope of the assurance was limited to the above and the opinion above has been formed on the basis of, and is subject to, the inherent limitations outlined in this independent assurance statement.*

Nikos Avlonas  
Assurance Expert



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