

For the first time, we're proud to include highlights from our Corporate Sustainability Report within these pages. As an integral component of our various operations, both internally and in our service offerings, our varied sustainability efforts build value for each of our stakeholders for whom we have created this report – they include our clients, shareholders, employees, supplier partners and others with an interest in our approach to corporate sustainability. ABM is also proud to announce our new Corporate Sustainability micro-site (www.abm.com/sustainability), which falls within the pages of abm.com, where stakeholders may view our reporting in full based on the Global Reporting Initiative (GRI) guidelines.

This 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 key example of ABM's compliance is our Sarbanes Oxley (SOX) certification. ABM rigorously adheres to SOX standards to ensure financial accuracy, auditor independence and corporate responsibility across the enterprise.

Sustainability reporting is an ever-changing discipline, and as our corporate sustainability programs continue to mature, so too must our reporting. With that goal in mind, we have submitted this report for the third consecutive

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# President's Letter

## Dear Stockholders, Employees and other Friends of ABM:

Fiscal 2013 was not only a year of record revenue and operating profit for ABM, it was also a year of many significant milestones, including a record-breaking number of clients and square footage serviced, new and innovative facility solutions, and an expanded international presence (through our acquisitions of Air Serv and Blackjack Promotions).

Last year, I wrote to you about the many changes underway as we rebranded ABM, integrated our service lines and worked to create a culture of collaboration. In fiscal 2013, we continued to build on these changes by realigning our infrastructure to support our new integrated strategy and further developing our end-to-end service delivery model.

Our relationships with our clients have always been at the heart of everything we do at ABM, and we have built our business on listening to their needs. In today's environment, our clients require a partner with deep knowledge of their industries and an understanding of the unique challenges they face, as well as the ability to turn that knowledge into personalized facility solutions.

By moving from a traditional service-line based strategy to a solutions oriented, collaborative and integrated facility services company, we are able to leverage our strengths to best capture the market opportunities and meet client demands. In addition, we continued to complement and expand our key industry verticals through several strategic acquisitions, and we deployed cutting-edge technologies to improve our productivity and our customer service.

We are well positioned to continue delivering record results, reflecting the strength of ABM's people, processes, systems and end-to-end service platform. And we are focused on delivering excellent service to our clients and long-term value to our stockholders as we write the next chapter in ABM's long history.

Looking Back on a Remarkable Year

By all measures, fiscal 2013 was a banner year for ABM. Our performance reflects the success of our transformation and the expertise of over 100,000 dedicated employees around the world, who each day make a difference to our clients.

Our strategic focus on vertical markets, such as aviation and healthcare, as well as our shift to an onsite, mobile, and on-demand operational model has significantly

improved our growth prospects and, in doing so, we achieved a number of milestones in ABM's 104 year history.

In fiscal 2013, our revenues exceeded \$4.8 billion and we achieved Adjusted EBITDA of \$206 million, the first time that ABM has surpassed the \$200 million threshold.

We achieved our fifth year of free cash flow exceeding \$100 million and we ended fiscal 2013 with \$315 million in borrowings under our credit facility, having paid down over \$100 million of the approximately \$200 million borrowed in early fiscal 2013 to fund acquisitions. Following the close of the year, I'm pleased to announce that we amended our credit agreement, increasing our borrowing capacity to \$800 million, providing additional capacity for strategic initiatives. Our balanced strategy of investing in the business and returning value to shareholders continues to serve us well as we completed five acquisitions in fiscal 2013 and returned more than \$32 million to shareholders through dividends.

Our vertical strategy in healthcare and aviation was anchored by our acquisitions of HHA and Air Serv, and each company has far exceeded our expectations. Air Serv's first year as part of ABM was an unmitigated success as our combined expertise, solutions and manpower, when combined with our other businesses, has created an industry leader that serves more than 100 airports worldwide and generated \$643 million in revenue.

We continue to be pleased with the HHA acquisition as our ability to integrate and grow the business while maintaining a 100% client retention rate was a significant accomplishment. With the recently announced formation of ABM Healthcare Support Services, there is even more opportunity to build this vertical in coming years, as we leverage our combined healthcare businesses to create an unmatched breadth of services and higher quality care at lower costs for our clients.

In fiscal 2013, we consolidated the daily operations of our Onsite Services of janitorial, parking, security and facility services, which, along with our focus on vertical markets, enabled us to deliver record results and some of the strongest growth rates in recent years. Our janitorial business ended the year with record revenue and organic growth of over 4% in the fourth quarter—a rate we haven't experienced since the mid-2000s. Parking, security and facility services increased year-over-year operating profit significantly as each business did an outstanding job of adding clients and managing costs. Parking was particularly

successful in our new aviation market and achieved a milestone of servicing 40 airports nationwide. ABM Security Services gave the market a compelling reason for using its services and people, and as a result, posted a record year for this segment of our business with top-line growth over 4% and operating profit up 65%.

ABM's Building & Energy Solutions business delivered a record-setting performance in fiscal 2013, with strong contributions across the business, including our HHA Services and Calvert-Jones acquisitions that we made last year. Despite sequestration and the budget challenges, our government business contributed to growth in operating profits as well. Our energy business achieved a number of firsts as our innovations in bundled energy solutions, electric vehicle installation and maintenance and our enhanced expertise in the solar market drove record revenues for this segment. We started our largest energy retrofit job – Wright State – at \$25 million – a fine example of the capabilities our ABM Building & Energy Solutions team brings to the marketplace. And we ended the fiscal year with our best performance; revenue in the fourth quarter grew organically over 26% compared to the prior year period and operating profit improved by 80% on a year-over-year basis. We are thrilled with these stellar results for our Building & Energy Solutions line of business.

We continue to make critical investments in our infrastructure, including upgrading our information technology systems, consolidating back office operations and improving business analytics. During fiscal 2013, we launched our MPower™ platform, which provides mobile access to ABM data systems and enables us to better service our clients.

Finally, we continue to invest in sustainability to help reduce both ABM and our clients' impact on the environment as we believe that continually evolving our sustainability initiatives is critical to our long-term success and ensuring growth throughout all of ABM's operations. As a major employer and international enterprise with countless touch points, we have a responsibility to do our part to minimize our environmental impact and help improve the health of our planet. ABM remains committed to our participation in the U.N. Global Compact and proud to be a part of this strategic policy initiative.

### Continuing to Deliver Value

As pleased as I am with our performance and the changes we enacted to our business in fiscal 2013, I am more excited about the growth opportunities in fiscal 2014 and beyond as we continue to adapt to changing market demands and invest in market-leading solutions to achieve our goal of being the global leader in integrated facility solutions.



ABM is committed to building partnerships and bringing added value to our clients. By being their trusted advisors and working collaboratively, we can address the challenges in their industries and deliver the facility service solutions that best meet their needs.

We are confident that this strategy and the changes we have made over the past few years have positioned ABM to uphold our commitment to our clients to provide consistent, quality, and reliable facility service solutions and in the process, deliver long-term value to our shareholders.

As always, I would like to thank our shareholders for their confidence and dedication. I would also like to acknowledge our clients for their devoted patronage and our employees for their discipline and drive for excellence and to whom we attribute our performance.

We look forward to another rewarding year ahead.

Henrik C. Slipsager

**President and Chief Executive Officer** 

year for the assessment by The Centre for Sustainability and Excellence (CSE) an independent, outside entity. CSE's assurance statement is included on the micro-site.

Readers can provide feedback, comments, questions or concerns to ABM's Corporate Communications team at sustainability@abm.com. We welcome your insights on how we can meet our shared commitment to a sustainable world.

## ABM GreenCare® Firsts

In 2013, we announced the integration of ABM's sustainable offerings under our ABM GreenCare® program. Where the ABM GreenCare program had been traditionally reserved for our Janitorial and EV services, we are now providing ABM's full array of sustainable offerings under the program's umbrella.

ABM GreenCare helps clients make improvements in four key areas: environmental and social responsibility, employee productivity and retention, property protection and fiscal responsibility. This program's offerings span our Janitorial, Energy, Parking, Security and Landscaping businesses.

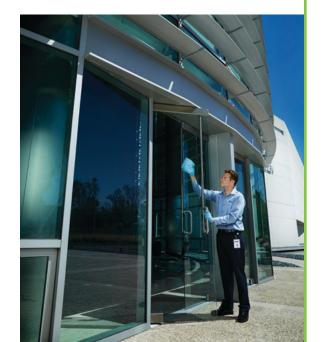
Some of the key value-adds the GreenCare program offers ABM clients include:

- Janitorial: Green cleaning programs with Green Seal certified equipment and chemicals to improve indoor environmental quality for building occupants; recycling programs and touch-free water conservation; LEED certification assistance for clients.
- Energy: ABM's energy conservation methods for clients include its Bundled Energy Solutions Program, Electric Vehicle (EV) Charging Station installation and maintenance and solar capabilities for fixed/reduced energy costs.
- Parking: ABM's customized mobile app, pay by phone option, and web services help drivers spend less time in their cars.
- Security: Round-the-clock technology helps ABM manage security communications in a paperless environment; ABM security guards use electric or hybrid vehicles at many sites.
- Landscape & Grounds: ABM utilizes alternative fuel and water-efficient irrigation systems to help keep clients' properties sustainable.

ABM's commitment to measuring its own performance has led to some eye-opening statistics relating to its clients' sustainability efforts, including:

- ABM GreenCare has been implemented at over 800 buildings, totaling more than 360 million square feet across the United States.
- ABM has assisted 351 buildings with products and procedures to maintain certification through the Leadership in Energy and Environmental Design (LEED) rating system.
- In 2013, ABM's Bundled Energy Solutions program reduced clients' energy use by over 27 percent.
- ABM has installed nearly 700 EV charging stations across the United States with many more expected in 2014.





## **ABM's Sustainability Firsts**

ABM is keenly focused on how our facilities and operations affect our shared environment. Just as we are Building Value for clients through world-class services, we continually seek to enhance our organizational efficiencies and reduce ABM's own carbon footprint across the enterprise. Every day, we walk the sustainability talk.

#### **Emissions**

	2013	2012
Tonnes	48,007	49,032
Tonnes	10,181	9,796
Tonnes	1,706	1,453
MWh	199,058	204,744
MWh	19,333	17,020
	Tonnes Tonnes MWh	Tonnes 48,007 Tonnes 10,181 Tonnes 1,706 MWh 199,058

### ABM's Overall Fuel Consumption

(Fleet and Office Locations)

	MWh
Electricity	19,333
Motor Gasoline	183,033
Diesel	7,955
E-85	89
Propane	8
Natural Gas	7,973

Elsewhere within our operations, ABM continues to leverage technology in order to streamline our operations and provide a better working environment for our employees, all while impacting the environment by cutting down on the resources we use. Some of our firsts included:

### **Electronic Pay**

For the first time, more than 70% of ABM employees are participants in the ABM Electronic Pay platform – providing a more secure, convenient, less costly and timely method of pay distribution.

### **Electronic Pay Advices**

FY 2013 was the first year that we eliminated the printing and distribution of over 8,000 pounds of paper via the electronic/online pay advice program.

### **Workforce Management**

For the first time, a majority of ABM service employees utilized the ABM Workforce Management electronic timekeeping system to report time, which improves the accuracy and efficiency of time collection, helping ensure ABM employees are paid correctly.

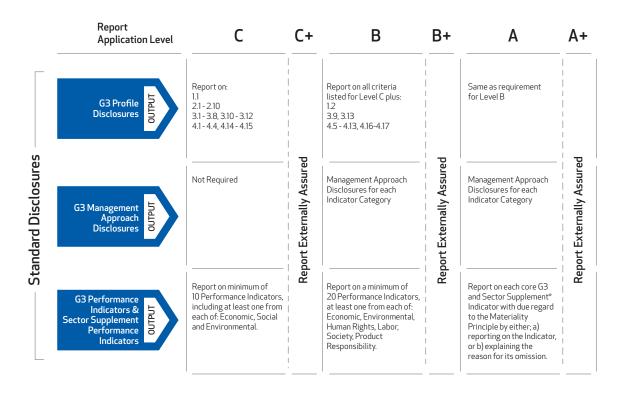


## **GRI Application Level Check**

The 2013 Sustainability Report presents the commitments, achievements and evolution of ABM in the area of Sustainability. The 2013 Sustainability Report presents ABM's overall economic, environmental and social challenges and performance as well as all related improvements made within 2013 throughout the US operations.

ABM has self-declared the 2013 Sustainability Report, reporting to be Application Level C+.

Centre for Sustainability and Excellence (CSE) has checked and confirms that ABM has satisfactorily applied the Global Reporting Initiative (GRI) Reporting Framework, as specified by G3 Guidelines. The 2013 Sustainability Report, meets the requirements of GRI G3 Version 3.0 Application Level C+.



## **G3** Content Table

STANDARD DISCLOSURES			
		Section	Coverage
1.	Strategy and Analysis		
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	Statement from the most senior decision maker	Fully
1.2	Description of key impacts, risks, and opportunities.	Risks and Opportunities	Fully
2.	Organizational Profile		
2.1	Name of the organization.	About ABM	Fully
2.2	Primary brands, products, and/or services.	About ABM ABM Operational Structure and Service Offerings	Fully
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Governance Structure ABM Operational Structure and Service Offerings	Fully
2.4	Location of organization's headquarters.	About ABM ABM Operational Structure and Service Offerings	Fully
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.	ABM Operational Structure and Service Offerings About ABM	Fully
2.6	Nature of ownership and legal form.	About ABM	Fully
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	ABM's Approach to Sustainability Significant Changes since our Last Report	Fully
2.8	Scale of the reporting organization	About ABM Corporate Sustainability Reporting	Fully
2.9	Significant changes during the reporting period	Significant Changes	Fully
2.10	Awards received in the reporting period	Recognition for Our Integrity and Expertise	Fully
3.	Reporting Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Report Parameters	Fully
3.2	Date of most recent previous report (if any).	Report Parameters	Fully
3.3	Reporting cycle (annual, biennial, etc.)	Report Parameters	Fully
3.4	Contact point for questions regarding the report or its contents.	Contact Information	Fully
3.5	Process for defining report content	Corporate Sustainability Reporting	Fully
3.6	Boundary of the report	Report Parameters	Fully
3.7	State any specific limitations on the scope or boundary of the report	Report Parameters	Fully

	STANDARD DISCLOSURES		
		Section	Coverage
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	Fully
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Significant Changes Report Parameters	Fully
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	No restatements	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Introduction Significant Changes	Fully
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI Table	
3.13	Policy and current practice with regard to seeking external assurance for the report.	External Assurance	Fully
4.	Governance, Commitments, and Engagement		
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	Fully
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Governance Structure	Fully
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	Fully
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Corporate Sustainability Reporting	Fully
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization	Recognition for Our Integrity and Expertise	Fully
4.14	List of stakeholder groups engaged by the organization	Our Stakeholders	Fully
4.15	Basis for identification and selection of stakeholders with whom to engage.	Our Stakeholders	Fully
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Our Stakeholders	Fully
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns including through its reporting.	Corporate Sustainability Reporting Our Stakeholders	Fully

ECONOMIC PERFORMANCE INDICATORS			
		Section	Coverage
EC1	Direct, economic value generates and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital.	Annual Report	Fully
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	ABM's approach to sustainability Supply Chain	Fully
EC4	Significant financial assistance received from government.	ABM does not receive any significant financial assistance from host governments	Fully
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Recognition for Our Integrity and Expertise	Fully

### **ENVIRONMENTAL PERFORMANCE INDICATORS**

		Section	Coverage
EN1	Materials used by weight or volume.	Sustainability in ABM Operations	Partially
EN3	Direct energy consumption by primary energy source.	Sustainability in ABM Operations	Fully
EN4	Indirect energy consumption by primary source.	Sustainability in ABM Operations	Fully
EN5	Energy saved due to conservation and efficiency improvements.	Sustainability in ABM Operations	Partially
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 Operations	Fully
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Sustainability in ABM Operations Energy business	Partially
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Sustainability in ABM Operations	Partially
EN16	Total direct and indirect greenhouse gas emissions by weight.	Sustainability in ABM Operations	Fully
EN22	Total weight of waste by type and disposal method.	Sustainability in ABM Operations	Partially
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Supply Chain	Fully

	LABOR PRACTICES INDICATORS		
		Section	Coverage
LA1	Total workforce by employment type, employment contract, and region.	Employee Breakdown	Fully
LA2	Total number and rate of employee turnover by age group, gender, and region.	Code of Business Conduct	Partially
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Employee Training	Fully
LA10	Average hours of training per year per employee by employee category.	Employee Training	Fully
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Employee Training	Fully
LA12	Percentage of employees receiving regular performance and career development reviews.	Building Value through Our People	Fully

	HUMAN RIGHTS INDICATORS		
		Section	Coverage
HR4	Total number of incidents of discrimination and actions taken.	Code of business code	Fully
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Risks and Opportunities	Partially
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	Extra Benefits	Partially

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	Fully
503	What is the percentage of employees trained on anti-corruption policies and procedures?	HR Training and anti-corruption Human Rights	Fully
S05	Public policy positions and participation in public policy development and lobbying	Governance Structure	Partially

PRODUCT RESPONSIBILITY INDICATORS			
		Section	Coverage
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	OSHA	Fully
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Building Value through Our People	Fully
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.	Building Value through Our People	Fully



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