

# Corporate Sustainability Report 2016





■ Company Overview .....	4
■ Sustainability in ABM Operations .....	14
■ ABM in the Community .....	24
■ CSE Independent Assurance Statement .....	25

# Company Overview

G4-1 Statement from the most senior decision-maker of the company

[Letter to Investors](#)



**PURPOSE**  
To take care of the people, spaces and places that are important to you

**VISION**  
To be the clear choice in the industries we serve through engaged people

**MISSION**  
To make a difference, every person, every day

The year 2016 was a very important one in ABM's history. We celebrated our 107th birthday and were named to the Fortune 500 for the first time. Never a company to sit on our laurels, we also began our 2020 Vision transformation—the most compelling, multi-phased, multi-year strategy in the history of the company. I'm proud to report we're making great strides in going forward with this journey.

Along with the transformation of our business, we established a new Purpose, Vision and Mission (PVM) for ABM to keep us focused on our reason for being.

Our **PURPOSE** is simple and yet vital—we take care of the people, spaces and places that are important to our employees, our clients, and their customers. This is the foundation for why ABM exists and is a natural guiding function for our commitment to sustainability.

Our **VISION** is to be the clear choice in the industries we serve. We do that through an engaged workforce that is aware of the impact they have in the communities where they live, work and play.

Our **PURPOSE** and our **VISION** are only realized through our core **MISSION**, which is to make a difference, every person, every day. If our employees are focused on this, we will have a workforce that understands the value and importance of what they do every day—how it affects everyone and everything around them.

One example of fulfilling our PVM is the launch of our ABMCares initiative in which we'll match the donation of any of our staff and management employees to a 501(c)(3) charity of their choice, up to \$1000 per employee per year (up to \$1 million total). ABM Cares also provides a paid day off per year for every staff and management employee for volunteering.

As you can see, our **Purpose, Vision, and Mission** provide a strong foundation for our continued commitment to corporate social responsibility, which includes our dedication to the [UN Global Compact](#). This is our seventh year of reporting our sustainability efforts, following the [Global Reporting Initiative](#) (GRI) and the sixth year submitting our report for an independent third party audit assessment by the Centre for Sustainability and Excellence (CSE).

Corporate social responsibility is at the heart of ABM every day, whether we're streamlining efficiencies for clients, keeping a keen eye on how our operations impact our shared environment and reducing our carbon footprint, creating new jobs, or giving back to the communities in which we serve. As we move forward in 2017 with our 2020 Vision transformation, I'm looking to a very bright future, indeed.

I'm proud of all that we accomplished in 2016.

Scott Salmirs  
President & CEO, ABM

## G4-3 Name of the organization

ABM Industries Incorporated

## G4-4 Report the primary brands, products, and services

ABM is a leading provider of integrated facility solutions, customized by industry, that enable our clients to deliver exceptional facilities experiences. Our mission is to make a difference, every person, every day. We serve urban, suburban, and rural areas and properties of all sizes—from schools and commercial buildings to airports, data centers, hospitals, and manufacturing plants.

As of November 1, 2016, we completed our organizational realignment (Phase 1 of our 2020 Vision), establishing five industry groups and one Technical Solutions group, which spans the five industry groups:



Through these groups, we offer our full complement of solutions on a standalone basis or in combination with each other or with specialized mechanical and electrical technical services. Following is a general description of the services we provide, organized by segment.

**Janitorial:** A wide range of essential cleaning services for commercial office buildings, data centers, educational institutions, government

buildings, health facilities, industrial buildings, retail stores, sport event facilities, and transportation hubs.

**Facility Services:** Onsite mechanical engineering and technical services and solutions relating to a broad range of facilities and infrastructure systems. Facilities we service include commercial office buildings, educational institutions, high technology manufacturing facilities, shopping centers, and transportation hubs. Our mission critical solutions ensure uptime and equipment reliability for facilities such as emergency call centers, data centers, POP sites, network facilities, and SCIF facilities.

**Parking:** Parking and transportation services for clients at various locations, including commercial office buildings, educational institutions, health facilities, hotels, sport event facilities, and transportation hubs.

**Building & Energy Solutions:** Custom energy solutions, electrical, HVAC, lighting, and other general maintenance and repair services for clients in the public and private sectors. In 2016, Building & Energy Solutions provided specialty solutions in support of U.S. government entities. As part of our 2020 Vision, we decided to sell our Government Services business and classified it as held for sale in the fourth quarter of 2016.

## Sustainability in ABM Services

We've built our strong reputation in part by continually striving to improve upon our client service offerings through the ABM GreenCare® program. As part of the program, we actively work with our clients on a wide range of these efforts, from energy reduction to green cleaning and Leadership in Energy & Environmental Design (LEED) certification.

### ABM GreenCare®

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 businesses and the key industries we serve. As a member of the U.S. Green Building Council (USGBC), we also continue to offer specific products and procedures for buildings to maintain certification through the LEED Rating system.

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

- ABM GreenCare® has been implemented at over 1,000 buildings, totaling more than 460 million square feet across the United States.
- ABM's Energy Solutions program reduced clients' energy use by over 21 percent on average, saving them over \$30M.

- ABM has installed over 10,000 EV charging stations across the United States with many more expected in 2017.
- ABM has assisted approximately 230 million square feet worth of client buildings with products and procedures to maintain certification through the LEED rating system. We service over 450 USGBC LEED-certified and registered sites.

Sum of Gross Square Footage (in millions)	
LEED® Certified	230,834,000
Initial Phase	163,689,000
LEED® Registered	68,016,000
<b>Grand Total</b>	<b>462,539,000</b>
Number of LEED® Certified Buildings Total	459
<b>Total in Program</b>	<b>1,092</b>

Some of the key value-adds that ABM GreenCare® offers to clients include:

[Green cleaning programs](#) with Green Seal certified or environmentally preferable products and certified equipment improve indoor environmental quality for building occupants. We also provide recycling, touch-free water conservation, and LEED certification assistance for clients.

Just as with our entire line of services, ABM is utilizing technology to upgrade our sustainable offerings. This includes electrically activated water systems that produce general cleaning and sanitizing solutions from water, salt and electricity. These allow ABM to produce safe, non-toxic daily cleaning solutions onsite and reduce packaging,

transportation and storage issues associated with traditional chemicals.

ABM continues to identify new products and methods to operate more efficiently for our clients and stay on the forefront of sustainable practices and new innovations in cleaning methods and equipment. Through our strong, established relationships with industry-leading supply, chemical, and raw material manufacturers we are actively implementing new solutions such as:

- Bio-based cleaning alternatives
- Specialized cleaning solutions for various surface types that increase productivity

For a 2016 case study example: ABM provides high-quality, sustainable cleaning services at some of [AEG's](#) largest marquee entertainment venues including STAPLES Center, Nokia Theatre L.A. LIVE, and more.

ABM's [energy](#) efficiency programs—such as solar, EV charging, and energy performance contracting—promote sustainability while saving clients money. We analyze, measure, and maintain upgrades for buildings to lower utility costs while providing the most comfortable and sustainable work environment for the building's occupants. Support for LEED certification, ENERGY STAR® benchmarking, rebate incentives, and Property Assessed Clean Energy (PACE) financing enables our clients to achieve their energy goals.

## Solar

With the cost of solar installations declining dramatically and the number of government and utility incentives increasing, we help clients understand that solar has become a viable financial solution for companies to:

- Reduce their energy spend,
- Stabilize electricity costs,
- Improve their bottom line,
- Increase occupancy, and
- Increase their environmental responsibility.

ABM enables facilities to receive the financial and environmental benefits of adopting a solar power solution, without having to assume the risks associated with the design, installation, financing and management of these systems.

## Energy Performance Contracting Program

Our energy performance contracting program allows our clients to reallocate their energy and operational budgets towards funding of their critical facility improvements. Our bundled energy retrofit services provide a turnkey offering with guaranteed energy and operational savings that are then used to finance the project. In 2016 alone, ABM was able to reallocate nearly \$90M towards client's facility improvements, all while saving them over \$6M in annual costs. Over the term of the contracts, this will equate to over \$100M in annual savings.

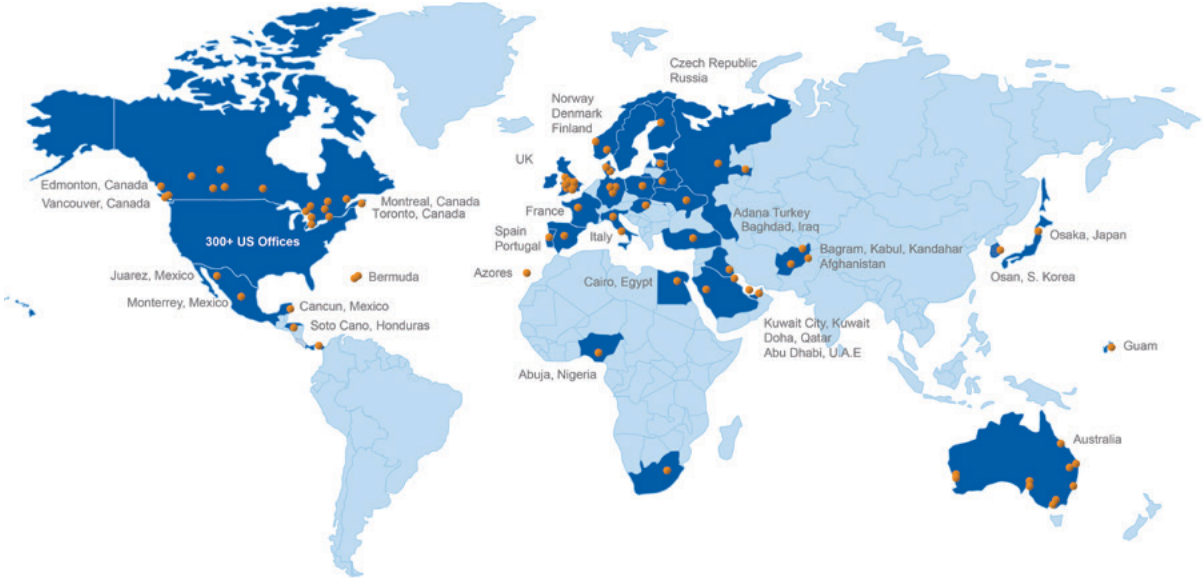
**EV Charging**

As one of the leading installers of EV charging stations, ABM has now installed more than 10,000 stations, up 35% from 2015. ABM's partnership with ChargePoint, creator of the leading EV charging network, brings us the first all-inclusive, affordable charging service plan. There's no need to choose either DC or Level 2 Fast Charging Stations, which creates a value-added amenity for all of a clients' customers.

**Parking**

For parking facilities, ABM provides LEED certification support, such as EV charging stations, solar panel installation, green cleaning, and energy-efficient lighting. Our customized mobile app helps drivers save time, money, and gas through online payments, a parking locator, a frequent parker program, and online reservations.

ABM parking also provides the incentive of discounted parking for people who share rides or participate in van pools. We install bicycle parking for clients, and offer shuttle services to assist our clients' customers to safely and sustainably move from parking lots to facilities, or from public transit centers to client facilities. More than half of our shuttles use natural gas or propane, running 11 million miles a year. We wash our vehicles according to local environmental regulations.



**Landscape & Grounds**

ABM uses alternative fuel and water-efficient, "smart" irrigation systems with timers and flow sensors to help keep clients' properties sustainable. Our services include draught tolerant plantings, integrated pest management, and LEED certification support.

**Air Travel**

Green cleaning is a standard part of our janitorial services at airports.

Brands that are also part of the ABM family are listed on our website.

**G4-5 Location of ABM's headquarters**

New York, NY

**G4-6 Number of countries where the organization operates**

Primary operations occur in the United States and the United Kingdom. ABM operates in approximately 30 countries with those outside of the US and UK being franchisees, subsidiaries and joint ventures.

**G4-7 Report the nature of ownership and legal form**

ABM is incorporated under the laws of the State of Delaware and is a publicly traded company, governed by a board of directors. ABM common stock is listed on the New York Stock Exchange [NYSE: ABM].

## G4-8 Report the markets served

The markets referenced are US only.

- [Aviation](#)
- [Banking & Financial Services](#)
- [Biopharma](#)
- [Commercial Buildings](#)
- [Data Centers](#)
- [Education](#)
- [Golf Courses](#)
- [Government](#) (classified as held for sale in the fourth quarter of 2016)
- [Healthcare](#)
- [Hospitality](#)
- [Improvement Districts](#)
- [Industrial & Manufacturing](#)
- [Mission Critical](#)
- [Retail](#)
- [Senior Living](#)
- [Sports & Entertainment](#)

As of November 1, 2016, we are serving the above markets through our five new industry groups and one Technical Solutions group, which spans the five industry groups:



## G4-9 Report the scale of the organization, including:

- Total number of employees:
- Total number of operations:
- Net sales (for private sector organizations) or net revenues (for public sector organizations):

Number of employees	100,585
Net revenues	\$5,144.7
Diluted earnings per share (diluted)	\$1.01

Dollar amounts in millions, except per share amounts. Information relates to ABM's the fiscal year ending October 31, 2016.

## G4-10 Report the total number of employees by employment contract and gender

- Report the total number of permanent employees by employment type and gender.
- Report the total workforce by employees and supervised workers and by gender.
- Report the total workforce by region and gender.

Employee Breakdown	Total	% Male	% Female	Age <30	Age 30-50	Age >50
Board	10	60%	40%			100%
Mgt	5,985	64%	36%	5%	48%	47%
Non-Mgt	94,590	53%	47%	21%	43%	36%

## G4-11 Collective bargaining agreements

ABM is party to approximately 200 active collective bargaining agreements across the U.S. These collective bargaining agreements are periodically renegotiated through bargaining with labor representatives. They also set terms for wages, benefits and other terms and conditions of employment. For single-site collective bargaining agreements, ABM bargains directly with labor representatives. For area-wide agreements, ABM frequently bargains in a group of employers who are covered by the same agreement.

Employee Union* and Employment Status Breakdown*				
Employees	Union	Non-Union	Full-time	Part-time
100,585	60%	40%	73%	27%

## G4-13 Significant changes during the reporting period

### Organizational Realignment

In 2016, we completed Phase 1 of our 2020 Vision: We reorganized the delivery of our services through an industry-based go-to-market strategy that focuses on four verticals: Aviation, Business and Industry, Education, Healthcare, and High Tech, with a fifth group called Technical Solutions that spans across the other groups. We believe this has positioned us to deliver value-added solutions, establish clear competitive differentiation, and enable deep client penetration.

## Cost Optimization

This year, we began to consolidate certain of our back office functions in our shared services center. As of October 31, 2016, a portion of our back office functions have been transferred.

## Talent Development

One of the key underpinnings of our 2020 Vision is the investment in people and the development of personnel. To that end, we have created a Talent Management Group that will be responsible for driving best-in-class talent development throughout the organization.

## Acquisition

ABM continued to accelerate our 2020 Vision with the [acquisition of Westway](#).

### G4-14 Report whether and how the precautionary approach or principle is addressed by the organization

Enterprise risks are reviewed by ABM's Enterprise Risk Management Committee on a periodic basis. This committee includes divisional and functional leadership. The Enterprise Risk Management Committee identifies key enterprise risks. The company's Board of Directors receives regular reports from the Risk Management Committee.

ABM continues to move forward with the integration of sustainability into our business strategy following the four key principles:

- 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; and
- Responsibility in the community is the culmination of the first three principles as they feed directly into how we affect the public at large within our circle of influence.

Our operations are subject to various federal, state and/or local laws regulating discharge of materials into the environment or otherwise relating to the protection of the environment, such as discharge into soil, water, and air, and the generation, handling, storage, transportation, and disposal of waste and hazardous substances. These laws generally have the effect of increasing costs and potential liabilities associated with the conduct of our operations. In addition, from time to time, we are involved in environmental matters at certain of our locations or in connection with our operations. Historically, the cost of complying with environmental laws or resolving environmental issues relating to United States locations or operations has not had a material

adverse effect on our financial position, results of operations, or cash flows.

ABM holds its suppliers and contractors to a high standard. 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. ABM also expects its subcontractors to commit to proper treatment of their workers, specifically including human rights and freedom of association.

**G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses**

**UN Global Compact**

**Green Parking Council**

**Green Sports Alliance – Green Cleaning Playbook**

**Healthcare without Harm**

**U.S. Green Building Council (USGBC)**

**Energy Star Partner**

**SOC 3**



## G4-16 List memberships of associations

We are a member of numerous trade and industry groups. Our group memberships include:

- American Association of Airport Executives (AAAE)
- American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE)
- Building Owners and Managers Association (BOMA)
- Building Services Contractors Association International (BSCAI)
- Commercial Real Estate Women Network (CREW)
- Corporate Real Estate Network (CoreNet)
- Institute of Real Estate Management (IREM)
- International Association of Corporate Real Estate Executives (NACORE)
- International Association of Venue Managers (IAVM)
- International Council of Shopping Centers (ICSC)
- International Downtown Association (IDA)
- International Facility Management Association (IFMA)
- International Sanitary Supply Association (ISSA)
- International Electrical Testing Association (NETA)
- National Association of College and University Business Officers (NACUBO)

- National Association of Energy Service Companies (NAESCO)
- National Association of Landscape Professionals (NALP)
- Professional Retail Store Maintenance Association (PRSM)
- Society of American Military Engineers (SAME)
- Sports Turf Management Association (STMA)
- Stadium Managers Association (SMA)

## G4-17 List all entities included in the organization's consolidated financial statements

ABM annually discloses a list of all consolidated subsidiaries as of the fiscal year-end in Exhibit 21.1 to ABM's 2016 Annual Report on [Form 10-K](#), which was filed with the SEC on December 21, 2016.

## G4-18 Process for defining the report content and the Aspect Boundaries

### Corporate Sustainability Reporting

Our approach to sustainability is based upon addressing known and perceived stakeholder needs. With ABM's primary stakeholders being clients, employees, vendor partners, shareholders and the communities in which we serve, people drive our strategy, and understanding the varied and sometimes intertwined needs of these groups is paramount to the success of ABM's sustainability program.

Readers can send feedback, comments or questions regarding our sustainability plans and progress 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.

### Report Parameters

This is ABM's seventh Sustainability Report and covers activities related to our 2016 fiscal year that ended October 31, 2016. 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 here, linking the applicable topics with the corresponding page(s). For the sixth year in a row, we submitted our report to the Centre for Sustainability and Excellence (CSE) for an independent audit assessment.

Additional information about the company can be found at [ABM.com](http://ABM.com) and in our filings with the Securities and Exchange Commission (SEC), and can be accessed at the "[Investors](#)" section of the company website. The ABM Corporate Sustainability Report covers the corporate activities and services provided by ABM and its subsidiaries throughout North America and various international locations. The report is designed to introduce ABM, our services, and organizational structure. We 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 also discuss our governance for ensuring we perform with utmost integrity on behalf of our stakeholders. Also critical to our sustainability platform are:

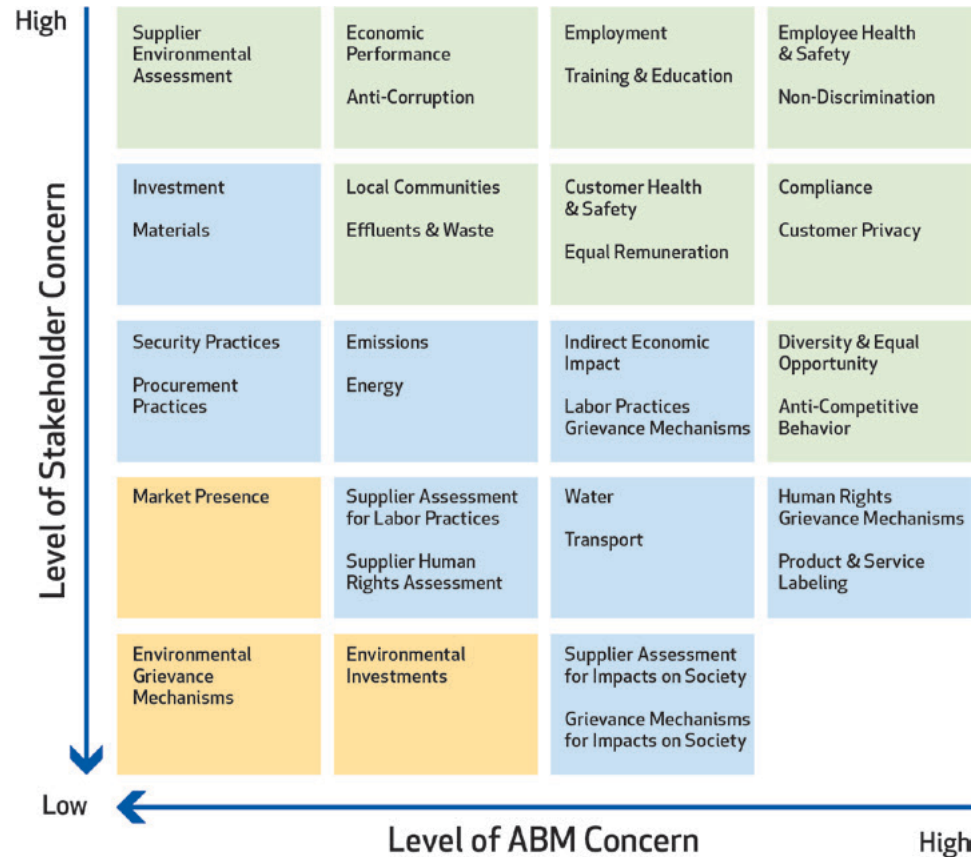
- Sustainability in ABM Operations
- Sustainability in ABM Services
- Our People
- Social Responsibility

**G4-19** List all the material Aspects identified in the process for defining report content

and

**G4-20** For each material Aspect, report the Aspect Boundary within the organization, as follows:

- If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either:
  - The list of entities or groups of entities included in G4-17 for which the Aspect is not material or
  - The list of entities or groups of entities included in G4-17 for which the Aspects is material
- Report any specific limitation regarding the Aspect Boundary within the organization



**G4-21** For each material Aspect, report the Aspect Boundary outside the organization, as follows:

- Report whether the Aspect is material outside of the organization
- If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical

location where the Aspect is material for the entities identified

- Report any specific limitation regarding the Aspect Boundary outside the organization

For ABM, a topic is of material interest if it is considered relevant based on ABM stakeholders feedback as well as our own perspective.

**G4-24 Provide a list of stakeholder groups engaged by the organization**

ABM identifies our stakeholders as our clients, employees, shareholders, vendor partners, distributors, and the communities in which we serve.

**G4-25 Report the basis for identification and selection of stakeholders with whom to engage**

and

**G4-26 Report the organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.**

Key stakeholders: clients, employees, shareholders, vendor partners and the communities in which we serve.

ABM’s services are generally provided at our clients’ locations, and are often an integral part of our clients’ sustainability integration (e.g., cleaning, facility maintenance, energy conservation, safety, etc.). Therefore, our approach to sustainability begins within ABM’s service offerings and solutions.

Our next known need was identified as ABM’s portion within our clients’ supply chain. While not a carbon intensive company, the decision to identify and track our emission levels using Greenhouse Gas (GHG) Protocol toolsets and thinking of our company’s role, risks and potential gains in relation to climate change brought sustainability integration out of merely a service element and into a business component.

Our employees continue to be the driving force behind everything we do at ABM, and we seek to deliver value for our shareholders each day. Finally, ABM feels a keen sense of responsibility to operate responsibly both for and within the communities in which we operate and serve.

**G4-27 Report 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. Report the stakeholder groups that raised each of the key topics and concerns.**

ABM sought feedback from major stakeholders, including various employees, clients and vendor partners through a Materiality Survey, compiled by CSE.

**G4-28 Reporting period**

Unless otherwise indicated, this report covers our 2016 fiscal year which ended October 31, 2016.

**Material Issues 2016 – Based on ABM Stakeholder Feedback**

Year	Economic	Environmental	Labor Practices and Decent Work	Human Rights	Society	Product Responsibility
2016	<ul style="list-style-type: none"> <li>Economic Performance</li> </ul>	<ul style="list-style-type: none"> <li>Effluents &amp; Waste</li> <li>Supplier Environmental Assessment</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Employment</li> <li>Occupational Health &amp; Safety</li> <li>Training &amp; Education</li> <li>Diversity &amp; Equal Opportunity</li> <li>Equal Remuneration for Women &amp; Men</li> </ul>	<ul style="list-style-type: none"> <li>Non-Discrimination</li> </ul>	<ul style="list-style-type: none"> <li>Local Communities</li> <li>Anti-Corruption</li> <li>Anti-Competitive Behavior</li> </ul>	<ul style="list-style-type: none"> <li>Customer Privacy</li> <li>Customer Health &amp; Safety</li> </ul>

**G4-29 Date of most recent previous report (if any)**

Fiscal 2015  
(November 1, 2014 through October 31, 2015)

**G4-30 Reporting cycle (such as annual, biennial)**

Annual

**G4-31 Provide the contact point for questions regarding the report or its contents.**

Readers can send feedback, comments or questions regarding our sustainability plans and progress to ABM's Corporate Communication team at [sustainability@abm.com](mailto:sustainability@abm.com).

**G4-32 GRI Content Index**

GRI G4

**G4-33 Report the organization's policy and current practice with regard to seeking external assurance for the report**

For the sixth year in a row, we submitted our report to the Centre for Sustainability and Excellence (CSE) for an independent audit assessment.

**G4-34 Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.**

**Governance**

- [Governance](#)
- [Committee Composition](#)
- [Directors](#)
- [Governance Documents](#)

At ABM, our governance structure, along with our [Code of Business Conduct](#), provide the framework for us to serve our clients, stakeholders and employees with integrity. ABM's Board of Directors is responsible for overseeing the business and strategy of the company. ABM currently has 10 directors, including our Chief Executive Officer. All of our directors, other than our Chief Executive Officer, are independent. One of our independent directors serves as Chairman of the Board.

ABM's Audit Committee oversees the company's financial reporting process and assists the Board with respect to the company's compliance with legal and regulatory requirements. In addition to its other responsibilities, the Audit Committee reviews policies with respect to risk management and the company's major financial risk exposures.

ABM's Compensation Committee has responsibility for providing direction to the company in the area of executive compensation, and monitors potential risks that may be associated with ABM's compensation programs.

ABM's Governance Committee is responsible for identifying qualified candidates for membership on the Board and for developing and recommending to the Board corporate governance principles and policies.

More information about ABM's governance structure can be found in ABM's 2016 Proxy Statement. Additional information concerning our Board and governance can also be found at [Investor.ABM.com](http://Investor.ABM.com).

## G4-56 Values, principles, standards and norms of behavior

[Code of Business Conduct](#)

[ABM Vision & Core Values](#)

In 2016, we defined the following principles:

**PURPOSE**

To take care of the people, spaces and places that are important to you

**VISION**

To be the clear choice in the industries we serve through engaged people

**MISSION**

To make a difference, every person, every day

## G4-EC1 Direct economic value generated and distributed

Financial information can be found in [ABM's Annual Report on Form 10-K](#).

## G4-EC2 Financial Implications and other risks and opportunities due to climate change

Our operations are subject to various federal, state and/or local laws regulating discharge of materials into the environment or otherwise relating to the protection of the environment, such as discharge into soil, water, and air, and the generation, handling,

storage, transportation, and disposal of waste and hazardous substances. These laws generally have the effect of increasing costs and potential liabilities associated with the conduct of our operations. In addition, from time to time, we are involved in environmental matters at certain of our locations or in connection with our operations. Historically, the cost of complying with environmental laws or resolving environmental issues relating to United States locations or operations has not had a material adverse effect on our financial position, results of operations, or cash flows.

## G4-EC3 Report the organization's defined benefit plan obligations

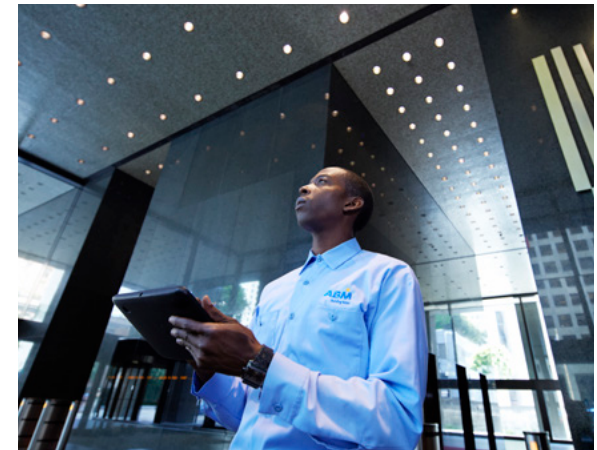
### ABM Employee Benefits

ABM offers a comprehensive [benefits](#) package to meet the diverse needs of our full-time employees. The benefits offered include: medical, dental, vision, life and disability along with a 401(k) plan.

Note: Service Worker and union worker benefits are provided consistent with their employment and/or client contract.

## G4-EC4 Financial assistance received from government

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



# Sustainability in ABM Operations

## Building Value through Our People

Our people continue to be the driving force behind everything we do at ABM. We take tremendous pride in our skilled and knowledgeable workforce. Spanning our wide array of service solutions and in a diverse set of markets, we firmly believe that our rich diversity of expertise and experience is unmatched anywhere.

## Our Facilities and Operations

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.

### G4-EN3 Energy consumption

	MWh
Electricity	14,800
Motor Gasoline	179,103
Diesel	13,235
Biogasoline	67
Natural Gas	5,910
CNG	3

## The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Data of natural gas use in leased offices was gathered through a survey. Offices in which the utilities are included in common area maintenance (CAM) were estimated based upon similarity to other known offices of that size and region of the country. Fleet data of gallons of fuel used by vehicle, by model year were analyzed. Fuel purchases not directly assigned to a specific vehicle were calculated as a Light-Duty Vehicle (small truck/van) as that is our primary vehicle type.

Actual data was gathered through our online survey when available. For offices that did not have readily available data or the electricity is included within CAM charges, estimations were made based upon similar sized offices of the same region or previous year data (if available).

### EN-6 Report the amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives

ID	Scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
Int 1	Scope 1+2	15%	metric tonnes CO2e per FTE employee	2011	58120.15	2020	ABM has committed to reducing our metric tons of CO2E per FTE Equivalent by 15% from our 2011 year.

ABM is seeking to reduce its metric tons of CO2E per FTE Equivalent by 15% from our 2011 year baseline by 2020. The types of energy included in the reductions include purchased electricity, fleet fuel usage and natural gas used at our office locations.

**For all of your targets, please provide details on the progress made in the reporting year.**

ID	% complete (time)	% complete (emissions)	Comment
Int1	55%	84.9%	

## G4-EN15 Direct Greenhouse Gas (GHG) emissions (Scope 1)

and

## G4-EN16 Energy indirect Greenhouse Gas (GHG) emissions (Scope 2)

and

## G4-EN17 Other indirect Greenhouse Gas (GHG) emissions (Scope 3)

ABM's direct and indirect GHG emissions from 2015 and 2016 are listed in the below table:

		2016	2015
Scope 1 CO2 - e	Tonnes	47,780	47,309
Scope 2 CO2 - e	Tonnes	7,896	8,790
Scope 3 CO2 - e	Tonnes	33,910	27,467
Fuel used	MWh	198,319	190,333
Electricity Used	MWh	14,800	16,433

**Scope 1** - Data of natural gas use in leased offices was gathered through a survey. Offices in which the utilities are included in CAM were estimated based upon similarity to other known offices of that size and region of the country. Fleet data of gallons of fuel used by vehicle, by model year were analyzed. Fuel purchases not directly assigned to a specific vehicle were calculated as a Light-Duty Vehicle (small truck/van) as that is our primary vehicle type.

**Scope 2** - Actual electricity data was gathered through our online survey when available. For offices that did not have readily available data or the electricity is included within CAM charges, estimations were made based upon similar sized offices of the same region or previous year data (if available).

**Scope 3** - Employee Air Travel Miles, by passenger mile, by flight length <300, 300 - 1000, >1000 miles acquired through centralized booking. Added in 2014 was the mileage of aviation service fleet vehicles (buses, trucks, etc.) input into GHG Protocol Transport tool. The actual gallons used were not able to be tracked as client supplies the fuel at their own fuel stations. Mileage per gallon was estimated via percentage of vehicle types.

## G4-EN18 Greenhouse Gas (GHG) emissions intensity

ABM tracks and measures our emissions intensity with the following metrics.

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used
0.678	metric tonnes CO2e	full time equivalent (FTE) employee	82136.04	Location-based
0.000326	metric tonnes CO2e	unit hour worked	1.71E+08	Location-based

## G4-EN 8, 9, 10 Water

While ABM strives to minimize our water usage in the delivery of services (e.g., microfiber, automatic scrubbing versus pressure washing, dilution control systems, etc.) our water usage is primarily under the client's control as required by the specifications within our contracts. Additionally, as our service delivery occurs at our clients' locations, we do not have the ability to separately meter our usage from the client's usage.

## G4-EN23 Waste

From Nov. 2015 through Oct. 2016, ABM securely shredded and recycled 107.441 short (US) ton(s) (214,882.528 pounds) of paper, which resulted in the below estimated environmental benefits – ABM works with Iron Mountain to accumulate this data.

- **Carbon Footprint:** 155,575 lbs of CO2 emissions avoided = 15.04 cars off the road per year
- **Landfill Space:** 537.21 Cubic Yards of landfill space conserved
- **Trees:** 1,802.86 trees preserved
- **Energy:** 242,816.66 kWh of electricity saved = 644.65 years of energy demand for a laptop
- **Water:** 2,945,065.25 Gallons of water saved = 322.32 pools full of water saved

## G4-12 Describe organization's supply chain

### ABM Supply Chain

ABM uses strategically located distributors, providing an efficient locally-based way for our employees to order and receive the products used in our daily service delivery to clients. Having strategic local vendors placed near various urban locations enables ABM to minimize the company's impact of transporting machines, cleaning materials, et al. between work sites.

ABM's suppliers fall into several categories. These include suppliers for internal operations (office supplies, Information Technology, communications, utilities, etc.), suppliers for products used in our services (cleaning chemicals, cleaning equipment, paper and plastic liner products, engineering HVAC, alternative energy components, fleet vehicles, landscape materials) and suppliers for external marketing and communications (consultants, printing, materials).



## G4-EN29 Monetary fines from significant environmental sanctions

None.

## G4-EN32 Percentage of new suppliers that were screened using environmental criteria

As part of ABM's network of 35 primary suppliers, our three new additions in fiscal 2016, Clorox, Millennium Mats and Spraymart, required sustainability considerations in order to partner with ABM.

## G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

In 2016, ABM had zero known data breaches involving client locations.

## G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region

### Turnover Breakdown Chart - % Turnover by Classification

	Total	% Male	% Female	% Minority	Age <30	Age 30-50	Age >50
Mgt	1,888	68%	32%	45%	11%	50%	39%
Non-Mgt	88,918	53%	47%	78%	38%	39%	23%

## Turnover Data as of 10-31-16

Annualized Turnover	Overall	Voluntary	Involuntary
Enterprise	76.1%	40.5%	35.6%
COR - Corporate	24.1%	10.9%	13.1%
CSS - Shared Services	23.6%	11.8%	11.8%
AFS - Facility Services	33.8%	16.1%	17.7%
Air - AirServ/OmniServ	98.0%	73.5%	24.6%
ENG - Building & Energy Solutions DV	49.9%	33.9%	16.0%
JAN - Janitorial	62.3%	35.3%	26.9%
PRK - Parking	44.2%	25.3%	18.9%
SEC - Security	399.8%	87.2%	312.6%
Staff & Mgmt	30.4%	15.8%	14.5%
Service	79.0%	42.1%	36.9%

## Compared to 2015 fiscal year data Turnover Data as of 10-31-15

Annualized Turnover	Overall	Voluntary	Involuntary
Enterprise	63.2%	34.1%	29.0%
COR - Corporate	11.9%	5.9%	5.9%
CSS - Shared Services	20.9%	14.5%	6.4%
AFS - Facility Services	35.3%	14.2%	21.1%
Air - AirServ/OmniServ	81.1%	49.5%	31.7%
ENG - Building & Energy Solutions DV	49.0%	30.5%	18.4%
JAN - Janitorial	64.7%	33.6%	31.2%
PRK - Parking	41.1%	25.5%	15.7%
Staff & Mgmt	24.4%	12.8%	11.6%
Service	65.6%	35.5%	30.1%



## G4-LA2 Benefits

### ABM Employee Benefits

ABM offers a comprehensive [benefits](#) package to meet the diverse needs of our full-time employees. The benefits offered include: medical, dental, vision, life and disability and a 401(k) plan.

Note: Service Worker and union workers' benefits are provided consistent with their employment and/or client contract.

### Serious Disease Prevention

Through our health plan partners, we offer the following for covered employees and their families:

- Disease management programs which assist members in the management of their chronic medical conditions such as coronary artery disease, diabetes and congestive heart failure
- Transplant solution programs that provide specialized networks and support to members requiring transplant services
- Health and Wellness coaching programs such as smoking cessation. Includes monetary incentive to complete a Health Risk Assessment.
- Complex case management services which assist and coordinate the care of members with serious and complex medical issues
- A 24-hour nurse line that assists with non-medical emergencies

Here are some additional programs that we continue to employ:

- Healthy Weight program
- Mynurseline-24 hour nurse line program
- Healthy Back program
- Wellness coaching
- Healthy Pregnancy program
- Care for diabetes
- Health classes
- Overcoming Insomnia class
- Overcoming depression
- Nourish-nutritional counseling
- Free will preparation if enrolled in life insurance

G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

Group Industry	Super Region	Claimant Gender	Case Classification			Grand Total
			Days Away From Work	Job Transfer or Restriction	Other Recordable Cases	
Business & Industry	BNI - Central	Female	69	91	66	226
		Male	36	77	49	162
	BNI - Central Total		105	168	115	388
	BNI - GLNE	Female	76	32	75	183
		Male	83	27	69	179
	BNI - GLNE Total		159	59	144	362
	BNI - Group OH	Male	1			1
	BNI - Group OH Total		1			1
	BNI - Ind & Manu	Female	44	56	55	155
		Male	37	42	60	139
	BNI - Ind & Manu Total		81	98	115	294
	BNI - Sports & Ent	Female	8	10	19	37
		Male	8	1	6	15
	BNI - Sports & Ent Total		16	11	25	52
	BNI - West	Female	185	111	212	508
		Male	113	96	142	351
	BNI - West Total		298	207	354	859
<b>Business &amp; Industry Total</b>			<b>660</b>	<b>543</b>	<b>753</b>	<b>1956</b>
Aviation	AVI - Ops 1	Female	83	96	85	264
		Male	36	64	52	152
	AVI - Ops 1 Total		119	160	137	416
	AVI - Ops 2	Female	74	106	113	293
		Male	51	51	67	169
	AVI - Ops 2 Total		125	157	180	462
<b>Aviation Total</b>			<b>244</b>	<b>317</b>	<b>317</b>	<b>878</b>
Education	EDU - Central	Female	8	14	29	51
		Male	7	13	23	43

Group Industry	Super Region	Claimant Gender	Case Classification			Grand Total
			Days Away From Work	Job Transfer or Restriction	Other Recordable Cases	
	EDU - Central Total		15	27	52	94
	EDU - East	Female	11	8	23	42
		Male	14	5	15	34
	EDU - East Total		25	13	38	76
	EDU - West/Midwest	Female	31	12	20	63
		Male	27	3	12	42
	EDU - West/Midwest Total		58	15	32	105
	<b>Education Total</b>		98	55	122	275
<b>Healthcare</b>	HLC - Group OH	Female			2	2
	HLC - Group OH Total				2	2
	HLC - Non-Acute	Female	21	27	25	73
		Male	18	5	15	38
	HLC - Non-Acute Total		39	32	40	111
	HLC - Patient Exp	Female	11	7	32	50
		Male	19	14	32	65
	HLC - Patient Exp Total		30	21	64	115
	HLC - Tech Serv	Male	1	2	4	7
	HLC - Tech Serv Total		1	2	4	7
	<b>Healthcare Total</b>		70	55	110	235
<b>High-Tech</b>	TEC - Central	Female	13	11	11	35
		Male	4	4	4	12
	TEC - Central Total		17	15	15	47
	TEC - GLNE	Female	10		7	17
		Male	4	4	7	15
	TEC - GLNE Total		14	4	14	32
	TEC - West	Female	62	29	17	108
		Male	14	13	4	31
	TEC - West Total		76	42	21	139
	<b>High-Tech Total</b>		107	61	50	218

Group Industry	Super Region	Claimant Gender	Case Classification			Grand Total
			Days Away From Work	Job Transfer or Restriction	Other Recordable Cases	
ABES	ABS - Bldg Solutions (ABS)	Female	2			2
		Male	3	6	12	21
	ABS - Bldg Solutions (ABS) Total		5	6	12	23
	ABS - Elec Power Sol (APS)	Male	3		3	6
	ABS - Elec Power Sol (APS) Total		3		3	6
	ABS - Elec Sol (AESL)	Male	3		1	4
	ABS - Elec Sol (AESL) Total		3		1	4
	ABS - Franchising	Female	1			1
	ABS - Franchising Total		1			1
	<b>Technical Solutions Total</b>			12	6	16
Government	GOV - Healthcare Facility Svcs	Female			1	1
		Male	3			3
	GOV - Healthcare Facility Svcs Total		3		1	4
	EML/EJB/JJ/DBourg/Infinite	Female		1		1
		Male	2		1	3
	EML/EJB/JJ/DBourg/Infinite Total		2	1	1	4
<b>Government Total</b>			5	1	2	8
Corporate	CSA - CFO Summary	Male			1	1
	CSA - CFO Summary Total				1	1
	CSA - Legal Summary	Male		1		1
	CSA - Legal Summary Total			1		1
<b>Corporate Total</b>				1	1	2
<b>Grand Total</b>			1196	1039	1371	3606

## G4-LA9 Average hours of training per year per employee by gender, and by employee category

Approximately 10 hours of training are devoted to 25% of ABM leadership and management level employees while 80% of ABM service level employees devote 25 hours on average to training annually.

Employees are provided awareness training monthly in addition to regulatory related training as pertains to their jobs. These include Bloodborne Pathogens, Safe Lifting, Electrical Safety, Pushing/Pulling Safety, Fire Safety, and Situational Safety Awareness.

## G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

- a. Report on the type and scope of programs implemented and assistance provided to upgrade employee skills.
- b. Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

Various learning and development programs at ABM include annual harassment prevention training, regional supervisor training, ethic training, and wage and hour training.

All ABM management level employees are eligible to participate in the goal setting process and attend corporate sponsored training courses in addition to courses offered at the divisional level nationwide emphasizing customer service, safety practices, business ethics, and professional development. Contractual training agreements are also offered by ABM to its large client-base.

<http://www.abm.com/careers/growth-mobility/> and <https://www.abm.com/safety-health-environment/>

In 2016, we created a Talent Management Group that will be responsible for driving best-in-class talent development throughout the organization.

## G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

With our 2020 Vision reorganization, ABM transitioned our performance review and career development reviews to a new methodology and as a result the 2016 reviews moved to the new format starting in FY2017. To support this effort, we are introducing Grow. Perform. Succeed! (GPS). All staff and management employees and managers take action in this important process and complete all conversations.

### Grow. Perform. Succeed!

The new GPS process has two tracks. One track is focused on performance and development.

The second track is focused on rewards – compensation practices that are aligned to the performance of the company, industry, and individual. At this time, we are focusing on the first track – performance and development – to provide a solid foundation going forward.

### Performance and Development-based Conversations

Rather than “managing” performance, the objective of GPS is to “fuel” employee performance by building a feedback-friendly, development-oriented culture. At the core of this new process are ongoing, open and honest, two-way conversations between every employee and their manager.

This conversational approach lays the foundation for managers and employees to build trusting and respectful relationships. Both employees and managers play critical roles in this relationship: Employees “own” their performance today and their path for the future, while managers provide support by helping employees be successful in their current role, as well as helping them navigate their journey towards their career goals and aspirations.

### How Does GPS Work?

Managers and employees are encouraged to discuss performance and development throughout the year through:

- Real-time, ongoing feedback and coaching (e.g., daily, weekly) that supports employees in building upon their strengths and broadening their skill sets.

- Quarterly “Check-In” Conversations focused on the employees’ prior quarter’s performance, progress towards development and performance goals/priorities for the upcoming quarter, and interests and career goals.
- Year-End Conversations geared towards reflecting on performance for that year, setting goals for the upcoming quarter/year, exploring interests and career goals, and identifying areas for development going forward.

The Quarterly and Year-End Conversations each consist of the following 4 parts:

- Performance: Performance (accomplishments) during the year or quarter
- “Go Forward” Goals: Goals/priorities for next year or quarter
- Career & Well-Being: Career aspirations, interests and overall well-being
- Development: Opportunities identified to “Dial Up” (do more of) and “Dial Down” (do less of)

We recognize that this is a new and very different approach to performance and development. While it may be challenging at first, with practice each quarter, the conversations will become increasingly richer and more impactful. While we each evolve in our capabilities, the process itself will also evolve over time. What remains constant is ABM’s commitment towards ensuring that each employee receives feedback and coaching to help them perform at higher levels, advance in their careers,

and be rewarded for high performance, potential and great leadership.

### G4-LA12 Composition of governance bodies and breakdown of employees per employee category

Employee Breakdown	Total	% Male	% Female	Age <30	Age 30-50	Age >50
Board	10	60%	40%			100%
Mgt	5,985	64%	36%	5%	48%	47%
Non-Mgt	94,590	53%	47%	21%	43%	36%

### G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

ABM is an Equal Employment Opportunity/ Affirmative Action employer operating in compliance with Executive Order 11246, as amended, Title VII of the Civil Rights Act, as amended, and The Equal Pay Act of 1963, as amended. Our Equal Employment Opportunity Policy, which states ABM’s zero tolerance policy toward discrimination, is signed and supported by Chief Executive Officer Scott Salmirs and applies to “all employment practices, including recruitment, hiring, promotion, layoff or termination, compensation and training programs.” We are committed to providing a workplace free of discrimination based on race, gender, religion, age, disability, sexual orientation, gender identity and status as a protected veteran, among other characteristics.

ABM is fully committed to equality. However, circumstances prevent us from providing our report at this time. Specifically, ABM has just completed Phase I of a multi-phase reorganization that, given the size of our organization, is anticipated to take several years to complete. (We have approximately 100,000 employees and operations in all 50 states, Puerto Rico, and the District of Columbia, as well as in England and the Middle East.) Under our current structure, we have more than 20 “employee categories” and at least 460 “significant locations of operation.” Much of this is in flux due to the reorganization.

### G4-HR3 Total number of incidents of discrimination and corrective actions taken

Professional behavior is expected and required of all ABM employees. The company’s intent is to provide all employees with a workplace environment consistent with ABM’s core values of Respect, Integrity, Collaboration, Innovation and Excellence. Accordingly, ABM does not tolerate workplace discrimination or harassment based on age, ancestry, color, religious creed, request for/use of family and medical care leave, disability (mental or physical) including HIV and AIDS, marital status, medical, genetic information, military and veteran status, national origin, race, sex, gender, gender identity, gender expression, sexual orientation, or any other status protected by law. To ensure that all employees have a confidential channel for reporting incidents of misconduct and unlawful

business practices, ABM provides a Compliance Hotline (“Hotline”), a reporting system that allows employees to report a variety of concerns, including but not limited to: harassment, discrimination, retaliation, wage and hour issues (such as not being paid properly for all hours worked, not being paid properly for overtime, paycheck problems, etc.), accounting irregularities, corporate abuse and fraud, theft, safety concerns, workers’ compensation fraud, or other suspected violations of law or company policy, that they observe or encounter in the workplace. The Hotline is staffed by professional, trained specialists 24 hours a day, 7 days a week. Reports may be made in any language and callers may remain anonymous if they wish. All completed reports to the Hotline will be assigned to an investigator. ABM conducts a prompt, objective, thorough and confidential investigation of the reported concern. The investigation process will reach reasonable conclusions based on the evidence collected. If ABM determines that conduct violating its policies has occurred, it will take prompt and appropriate remedial action which can include termination of the individual who engaged in inappropriate conduct and/or other measures designed to prevent future discrimination or harassment. In order to encourage employees to utilize the Hotline and report concerns, ABM does not publicly disclose information about complaints, the status of the investigations related thereto, or the specific remedial measures taken.

**G4-SO1 Percentage of operations with implemented local community engagement, impact assessment and development programs**

and

**G4-SO2 Operations with significant actual or potential negative impacts on local communities**

Foremost, all ABM HR recruiting for site level employees starts in the local communities in which that site is located. We want our people who work at client locations to be members of that community, if at all possible.

# ABM in the Community

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

- Respect
- Integrity
- Collaboration
- Innovation
- Trust
- 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.

## How We Give Back

We've launched our ABMCares program to ensure that every management and staff employee can take a day to do community work, if they choose. We have also formalized a charitable donation matching policy to help our management and staff employees continue to give back to the communities in which they work, play, and live. A new ABMCares web portal makes it simple for our employees to find charities, donate their time and resources, and electronically enable donations with company matching.

In 2016, our employees engaged in their local communities through philanthropic projects in at

least 18 cities across the United States. [Click here](#) to read more about ABM's commitment to our local communities.

We also celebrate these activities on our [Facebook page and other social media sites](#).

Individuals, ABM service teams, and clients have received international and local recognition for their contributions to sustainability, service excellence, and community.

[Click here](#) to read more about ABM's Awards and Recognitions.

**G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified**

and

**G4-SO4 Communication and training on anti-corruption policies and procedures**

ABM's annual [Code of Business Conduct](#) and Anti-Harassment Training are required for all staff and management employees – our Code of Business Conduct was last updated in September 2015. 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.

**G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes**

None

**G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes**

For FY16, ABM received five OSHA Citations of Other than Serious Violations. ABM's continued attention to safety and aggressive claim management has sustained our Experience Mod Rating (EMR) of 0.86. These efforts help reduce the number of citations with penalty and result in ABM's OSHA Days Away From Work (DAFW) being 45% better than industry averages; Days Away and Restricted Activity or Job Transfer (DART), 14%; and Total Rate Case (TRC) at industry averages.