

Sustainability is part of our growth strategy



In 2014, ABB introduced its new “Next Level” corporate strategy, aimed at accelerating sustainable value creation, and charting our plans to improve our business and strengthen growth from 2015–2020. Sustainability considerations and values, particularly our efforts to improve health, safety and environmental performance, are a crucial part of the strategy.

In developing the Next Level strategy, we took into account our Sustainability Strategy, endorsed by our Executive Committee at the end of 2013, and see sustainability as an integral part of our overall strategy.

Our company vision “Power and productivity for a better world” reflects a commitment to our customers in utilities, industry, infrastructure and transportation that the automation and power products, systems and services we supply can make a global contribution to reducing energy use and lowering environmental impact. In short, we will contribute to decoupling economic growth from environmental impact.

Embedding sustainability considerations into our daily business helps us in different ways to create value and to manage risk. In terms of value creation, our ability to innovate and manufacture energy-efficient products has a significant impact on what we can offer customers and on our success. We believe we can go further. One of our strategic targets is to increase revenues from our energy-efficient portfolio by 20 percent by 2020.

Good risk management strengthens business performance and resilience. We took many additional steps in 2014 to improve our health and safety, security, environmental and social performance within the company, at project sites and in the communities where we operate. ABB carries out project work in some high-risk areas around the world so it is crucial we have appropriate security to protect our people and assets, and that we understand, avoid or mitigate potential environmental, social and human rights impacts.

A top priority for ABB is to ensure the health and safety of our employees and contractors. Under the overall theme of “Don’t look the other way,” we launched many additional activities in 2014 – from the very top of the company through to our employees in the factory and field – and saw some improvement in certain areas. However, as the results show, we are still on an improvement journey. Three people died and we had a slightly improved total recordable incident frequency rate for employees and contractors of 9.5 per 1,000 persons. Our target is always zero incidents.

We are driving our initiative to strengthen health and safety behavior, not just in terms of observing the rules but through a greater sense of personal leadership and responsibility, and to ensure it is universally recognized as a core company value. We have made safety and integrity primary corporate values and don’t accept compromise in either of these areas.

Among the many measures taken, which you can read about in this report, we held our first-ever global health and safety week which resulted in widespread engagement. We recorded more than 140,000 participants at 2,500 training sessions and workshops held in around 40 countries – with many employees and contractors attending more than one session. While we are fully behind such initiatives, we are very aware that health and safety is a 52-week priority each and every year, and that much remains to be done to ensure we perform better.

Turning to the environment, ABB has the products, systems and services to support efforts to increase resource efficiency, and reduce our customers’ emissions and energy costs. As I said at the United Nations Climate Summit in 2014, we have to decouple economic growth from environmental impact, which means less energy per unit of GDP, and lower emissions per unit of energy.

This requires progress in three areas: Technology, policy and behavior. Our core area of expertise is clearly energy-efficient technology. Much of this technology is already available and proven, with relatively short payback times.

As an example, our installed base of variable speed drives, which regulate motors to the speed at which they need to operate rather than running constantly at a pre-set, more wasteful speed, make a significant contribution to reducing energy use. Operating rather like the gearbox of a car, the drives save the same amount of energy used by 110 million European Union households every year. This is just one of many areas where we currently make a difference, for our customers and for society.

ABB invests heavily in sustainable innovation and won further international recognition for technology breakthroughs in 2014.

For example, we recorded a significant breakthrough in switch-gear technology with the development of a solution that deploys a new insulation gas mixture as a substitute for the potent sulfur hexafluoride (SF₆). ABB's gas-insulated switch-gear with the new gas mixture now has the potential to lower carbon dioxide equivalent emissions by up to 50 percent through the lifecycle of the equipment, compared to its predecessor with the same rating.

We unveiled the world's first truly collaborative robot, YuMi®. It is a human-friendly dual arm robot designed for a new era of automation, such as in small parts assembly, where people and robots work safely together on the same tasks. The high-precision robot, with the ability to feel and see, has safety built-in to its functionality so that it can work without a protective cage.

Furthering our contributions to a more sustainable world, we entered into partnerships in 2014 which will yield major business and sustainability benefits. In China, we will jointly develop new solutions for energy storage in collaboration with BYD. We also agreed to a strategic partnership with Shenzhen BYD Daimler New Technology Co. to supply direct-current fast chargers over the next six years for the DENZA electrical vehicle. This builds on other country-wide agreements in Europe for ABB to set up EV fast-charging networks.

In a different kind of collaboration, we signed a partnership agreement with the global wind energy company Vestas to deploy our technologies jointly to help rural communities in developing markets gain access to affordable and clean electricity. This project, part of Vestas' Wind for Prosperity initiative, will start with off-grid communities in Kenya. The provision of power drives economic and social progress in communities large and small, and can lead to the fulfillment of human rights such as employment, education, health-care and housing.

“When we speak of taking business to the next level, sustainability is an integrated part of that journey.”

In 2014, ABB formed an innovation and technology alliance with Solar Impulse, a groundbreaking project to fly a solar-powered aircraft around the world. Our alliance reflects a common goal: To develop sustainable solutions which demonstrate that economic growth is feasible without increasing energy consumption and carbon emissions. Solar Impulse shows what is possible with a pioneering spirit and a passion to venture beyond the boundaries of convention; ABB shows how breakthrough innovation can be transformed into tangible technologies and solutions for a better world.

“Power and productivity for a better world” is ABB's way of combining our strong business focus with sustainability as an integral part of what we do and stand for. It reflects our commitment to develop innovative products, systems and solutions which contribute to improved and more energy-efficient performance by our customers. Or, in simple terms, to run the world without consuming the earth.

So when we speak of taking our business to the next level, sustainability is an integrated part of that journey.



Ulrich Spiesshofer
CEO