PROGRESS TOWARDS TARGETS

Making good on our new targets and measures

After careful consideration, ABB has updated its targets for 2020

ABB's structure of nine sustainability objectives demonstrates how we are addressing the issues identified in our last major materiality assessment conducted in 2013. For the past three years ABB has been reporting on progress in the form of our main activities and achievements towards our 2020 targets.

As a midpoint, the year 2017 presented an excellent opportunity to review whether our original measures and targets remained appropriate and relevant to the business and our stakeholders.

In the closing months of the year, we conducted an internal review to solicit input from our stakeholder panel and our Executive Committee. After careful analysis, we agreed to streamline the number of measures we report on from 21 to 11, and to update the targets for the business to achieve by 2020. We also decided to create a new framework to group the nine objectives into three core themes.

Some of the new measures require the implementation of plans and processes that cannot be applied retroactively. Thus, we are unable to report on human rights and gender but will do so in our 2018 report. We made positive progress on the other nine measures.

We are committed to delivering on our updated 2020 targets, which are key enablers of our business strategy.

$n \alpha n$	Pioneering technology
XX	Objective

	Objective		2020 Target (vs 2013)	2017 Performance	Link to page
·	Products, services & solutions	Increase share of ABB eco-efficiency portfolio	60% of revenue	56% →	13

Responsible operations

Objective		2020 Target (vs 2013)	2017 Performance	Link to page
Safe operations	Reduction in total incident frequency rate	<0.7	0.73 →	18
Climate action	Reduce greenhouse gas emissions (GHG)	by 40%	33% →	20
Resource efficiency	Reduce water consumption in water-stressed areas	by 25%	19%)	22
	Reduce waste sent for disposal	by 20%	15% →	22
Right materials	Reduce emissions from VOCs	by 25%	19%)	23
Responsible sourcing	Closure of identified risks from supplier assessments	>65%	72% →	25

Responsible relationships <u>000</u>

Objective		2020 Target (vs 2013)	2017 Performance	Link to page
Integrity	Employees trained on integrity	>96%	96.5% →	28
Human rights	Training for specific job roles exposed to human rights risks	2 campaigns per year	New*	30
Our people	Increase women in senior management	by 30% (vs 2017)	New*	32
	Employees covered by the ABB well-being program	70%	59% (→)	32

Achieved

In progress

On track