## CLIMATE ACTION Contributing to climate goals with pioneering technologies

International and national measures to mitigate climate change are essential business drivers for ABB

In partnership with our stakeholders, we are getting closer to achieving each of our climate action goals.

ABB supports the Paris Agreement, which came into force in November 2016, and considers it a critical opportunity to limit global warming and mitigate the potentially devastating consequences of climate change. We are committed to reducing the greenhouse gas (GHG) emissions that stem from our use of fossil energy and transportation and from the handling of sulfur hexafluoride gas (SF6).

## Setting a Science-Based Target is an important step for ABB; one that will provide the financial sector with hard data

Eva Axelsson – Swedbank Robur <u>ABB Stakeholder Panel</u>

ABB also engages in initiatives and partnerships with businesses, governments and non-governmental organizations around the world to raise awareness of the need to further decarbonize society. Among many others, we are active participants in the United Nations driven "Sustainable Energy for All" initiative, the Alliance of CEO Climate Leaders, and the Science Based Targets (SBT) initiative. For the SBT initiative, ABB has committed to establishing a science-based GHG emissions target for our post-2020 sustainability objectives, and is currently working to calculate what this target should be. Our primary contribution to the mitigation of climate change is via the development of pioneering technologies that enable utilities, industry and customers in transport and infrastructure to improve their performance and energy efficiency while reducing emissions.

ABB's current target for climate action is to reduce our GHG emissions by 40 percent by 2020 from a 2013 baseline. We performed well against this target in 2018, as ABB's total GHG emissions (Scope 1 and 2) decreased to 988 kilotons, representing a 3.2 percent reduction from 2017 and a 36 percent reduction from 2013. Our achievements to date are due in part to an improved methodology for monitoring emissions from our vehicle fleet. On its own, this new methodology accounted for 19 percentage points of the GHG emissions reduction we reported on in 2017.

All of our organizational units are obliged to assess their respective opportunities to cut emissions and energy consumption. In 2018, we provided the sites with comprehensive guidance and upgraded the quarterly HSE/SA dashboard for management teams across ABB; it now displays a straightforward climate KPI to help drive progress.

## Total greenhouse gas (GHG) emissions (Scope 1 and 2) and GHG intensity



GHG emissions intensity (scope 1+2)

Electricity consumption (scope 2)

- District heat consumption (scope 2)
- CO<sub>2</sub> from own fleet (scope 1)
- SF6 (scope 1)
- Energy (scope 1)

Emissions of SF<sub>6</sub> gas from our operations continued to decline in 2018, amounting to a nearly 50 percent reduction from 2013. Groupwide measures to improve the handling of SF<sub>6</sub> are serving to reduce accidental leakage, thereby further shrinking our carbon footprint.

We achieved further emissions reductions thanks to initiatives to reduce the carbon intensity of our energy sources. Compared to 2013, we have reduced our use of fossil-fuel oil and diesel by more than 40 percent, while our use of biofuels has nearly doubled and now constitutes a similar share of our energy as fossil-fuel oil and diesel.

In several European countries we purchase all of our electricity from renewable sources. In 2018, 237 GWh, or 15.1 percent, of all electricity used by ABB, was purchased as certified "green" electricity, an increase of 4.5 percentage points over 2017. More of our facilities are also installing on-site photovoltaic power plants; ABB's production of solar power for its own use nearly doubled in 2018.

At present, the more than 230 energy efficiency projects underway at ABB sites around the world are projected to deliver more than 50 GWh of annual savings, or 2.0 percent of ABB's total energy use.

We are progressively introducing energy monitoring and management systems at several ABB sites. The number of sites with certified energy management systems has more than doubled over the last two years. For example, in 2018 ABB Finland implemented a certified energy management system and installed ABB Ability cpmPlus Energy Manager software packages at all its sites. The system, which can track the progress of energy initiatives on live dashboards, paid for itself in less than four months by lowering ABB Finland's energy bills.



Also in 2018, ABB Real Estate's energy savings program reported a total of US\$6.3 million annual savings from 190 completed, ongoing and planned energy saving projects in ABB buildings. ABB Real Estate's next step will be to work with our Integrated Facility Management (IFM) suppliers to reduce the consumption of energy at all ABB IFM sites around the world.

Case study ABB boosts renewables and power reliability at its own facilities

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