

## SUSTAINABILITY GOVERNANCE

## Integrated governance enables ABB to deliver on its promises

Sustainability principles and considerations are embedded in ABB's business strategy and guide what we manufacture, how we operate, and the way we behave towards stakeholders

### Structures and responsibilities

The Board of Directors is responsible for the overall stewardship of the ABB Group, which includes oversight of sustainability and corporate responsibility. As part of its stewardship role, the board is responsible for ensuring that our products and people are safe, the environment is protected, and human rights are protected. It has ultimate responsibility for realizing ABB's 2020 sustainability strategy.

The ABB Sustainability Board, made up of the entire Executive Committee and chaired by the CEO, is accountable for sustainability within ABB. It meets twice a year and oversees how sustainability policies and programs support business goals and aspirations, monitoring progress against ABB's nine sustainability objectives. Jean-Christoph Deslarzes, Member of the Group Executive Committee and Chief Human Resources Officer, has overall responsibility for ABB's health, safety, environment, security and sustainability (HSE/SA) performance and the implementation and progress of ABB's sustainability strategy.

Michael Cooke, Senior Vice President Global HSE and Sustainability Affairs, is responsible for overall delivery of sustainability matters, reporting to Mr. Deslarzes. The HSE/SA management team is operational in focus, meets bi-monthly and is led by Mr. Cooke.

This team is responsible for ensuring that plans and actions are aligned with ABB's business needs and corporate strategy. It initiates and coordinates sustainability policies, strategies, plans, actions, budget and resources and takes corrective actions when needed. The HSE/SA management team comprises the Head of Safety, Head of Environment, Head of Health, Head of Security, Head of Sustainability and Head of Corporate Responsibility. The Sustainability Affairs annual plan aligns all programs, processes and resources to ensure effective, efficient and collaborative actions across all of these functional areas to support the business, improve performance, reduce risk and create value.

At the local level, Country Sustainability Boards have been established to uphold good sustainability governance and assure compliance with local legislation and ABB's standards and customer expectations. Overall, the sustainability network is supported by a team of roughly 800 employees, full-time and part-time, at headquarters and around the world.

### A global HSE/SA management system

In 2017, we introduced the ABB Way, a global management system that updates all of our management and control standards for health, safety, the environment, security and sustainability. The ABB Way is creating clear and common expectations in all our global businesses.

2018 was a key year for implementation: Our target is for all ABB sites to be aligned with the new management system by January 2020. This system establishes the required minimum standards that are to be implemented and embedded into all ABB operations and activities, and it incorporates an extensive global audit assurance program. The structure of the HSE/SA management system is based on internationally recognized sustainability standards, principles and commitments, including ISO 45001 and ISO 14001:2015.

