

BUSINESS MODEL

# Smart and sustainable growth

ABB creates value for stakeholders while fostering sustainability

We are committed to building long-term relationships with all ABB stakeholders. These include customers, shareholders, suppliers, partners, employees and communities.

- Our business model is founded on three pillars:
- Leading technology that enables sustainability
  - Responsible operations
  - Responsible relationships

Our **leading technologies** are developed to enable sustainable growth for our customers. We strive for all of our technologies to have a positive impact. We seek not just to create value, but to enable sustainable growth. Each of ABB's businesses works to move society away from outmoded products and toward smart solutions that leverage the power of digitalization, incorporating sustainability as a central feature. The result will be smarter buildings, cities, industry and transport that help the world achieve a better future.

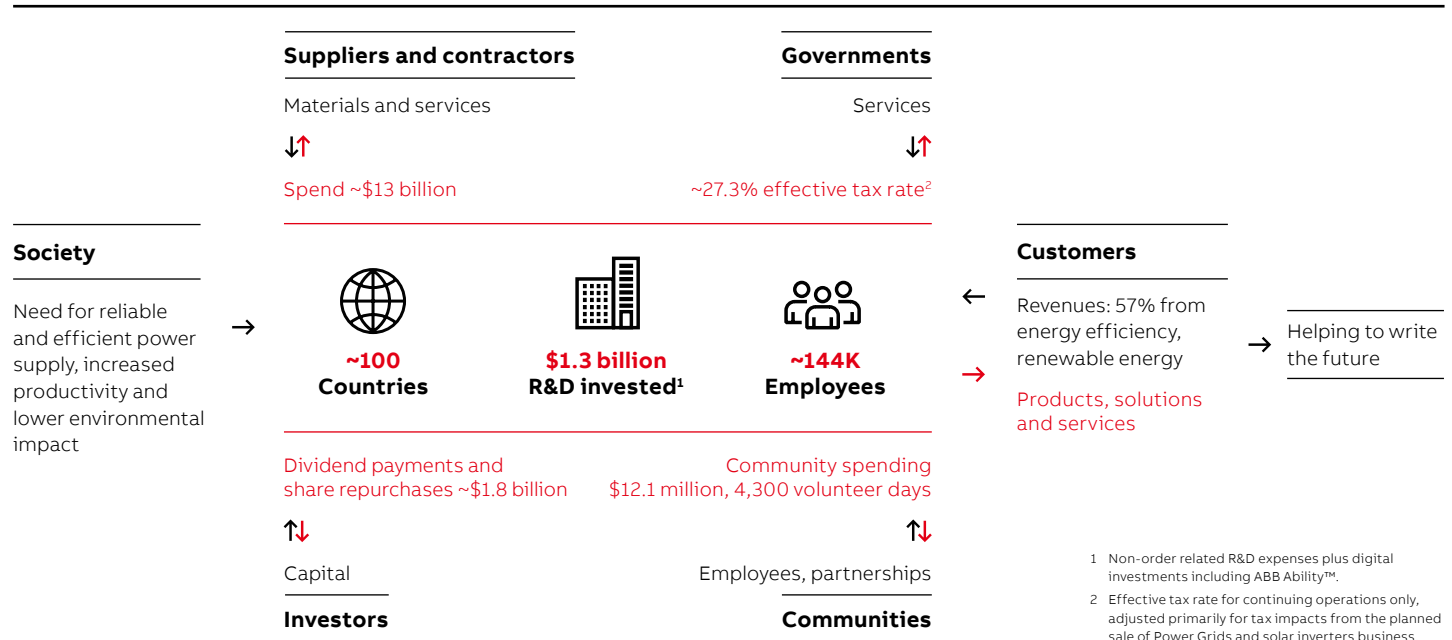
ABB's approach to **responsible operations** relies on frequent reassessments of our production processes and product designs. We give due consideration to governance, legal, environmental, and health and safety requirements. Our Group's tax position complies with applicable laws and follows international best-practice guidelines, including the OECD Guidelines for Multinational Enterprises. In Switzerland, ABB has elected to provide voluntary country-by-country reporting.

We place a high value on transparency. Details on our tax policy are available on our [website](#).

We cultivate **responsible relationships** with our stakeholders. We seek out suppliers who respect international standards of quality, operational excellence, social and environmental responsibility and business ethics. To achieve this, we rely on ABB's Supplier Sustainability Development Program. We engage with our shareholders in ways that

emphasize reputation, proper behaviors and good governance, with a priority on value creation and sustainable growth. We listen to our employees and work to strengthen our capacity to attract, develop and retain talent. In the broader community, we seek to engage with diverse segments of society. ABB endeavors to have a positive impact on the complete environment in which we operate.

## ABB value chain



<sup>1</sup> Non-order related R&D expenses plus digital investments including ABB Ability™.  
<sup>2</sup> Effective tax rate for continuing operations only, adjusted primarily for tax impacts from the planned sale of Power Grids and solar inverters business.