

CHAIRMAN AND CEO MESSAGE

Sustainability driven by technology, cooperation and clear goals

ABB delivers solutions that enable the sustainable cities, industry and transport systems that the world needs to mitigate climate change and conserve non-renewable resources

Dear Stakeholders,

Two centuries ago, the First Industrial Revolution set the planet on a long-term path toward accelerated global warming. Now, the advanced technologies enabling the Fourth Industrial Revolution are our best hope of addressing the climate emergency.

Around the world, expanding cities are under growing pressure to reduce pollution and congestion, while providing clean energy and water, as well as the necessary jobs, goods and services for their inhabitants to have a good standard of living. The only way to achieve this is to build smarter cities, using advanced technologies and systems that enable urban areas to accommodate swelling populations without overwhelming infrastructure or services.

A similar challenge is confronting industry, which must reduce its environmental footprint while at the same time becoming more productive and providing affordable power, goods and services to a growing global population. Here, renewable energy and digitally enabled automation and robotics solutions hold the key to sustainable power, manufacturing and production.

As a company that helped to make possible the Second and Third Industrial Revolutions, ABB today is driving the development of smart cities and the digital transformation of industries, and it is transforming itself in the process. In 2019, we undertook a wide-ranging internal reorganization to bring our businesses closer to our customers and enable us to respond more quickly to their needs.

ABB today is driving the development of smart cities and the digital transformation of industries, and it is transforming itself in the process, bringing our businesses closer to our customers.

Peter Voser – Chairman and CEO

Today, our businesses are leaders in their respective markets, and they are designed to help our customers continuously improve productivity and efficiency while reducing waste and emissions and extending the lifecycles of their equipment. Our focus on driving productivity and sustainability means that our business supports, directly or indirectly, the achievement of all 17 of

the United Nations' Sustainable Development Goals (SDGs), particularly SDG 11, making cities and human settlements inclusive, safe, resilient and sustainable, and SDG 9, building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation.

In the next stage of our transformation, we are further developing our company culture to create an environment where people have the confidence to take risks and aim at delivering results for sustainable high performance. As a first step in 2019, we encouraged open and inclusive dialogue across the company through CEO webcasts for employees, a new internal social networking channel and a global employee engagement survey, which was filled out by more than 95,000 colleagues.

The results showed high levels of engagement among employees – we received more than 40,000 comments on the topic of sustainability alone – but our people also delivered a clear message that they want to have a better understanding of where the company is heading. To answer this need, we have launched a project to identify the company purpose. As part of this project, we are asking multiple stakeholder groups how they perceive our company and what

they think ABB should aspire to in the future. We are open to any and all stakeholder suggestions about our company purpose with the only given being that it must drive sustainability – because this is part of our license to operate and a requirement for building a business over the long-term.

In tandem with this effort, we have been working on new diversity and inclusion targets for 2025. These targets are being developed in conjunction with a special [report](#), commissioned from Catalyst, a global nonprofit that helps organizations accelerate progress for women at work.

We continue to demonstrate our commitment to sustainability in other ways. This autumn, we began our third season as title partner to the [ABB FIA Formula E Championship](#) racing series, the world's first fully electric international FIA motorsport series. Since ABB is a world leader in electric vehicle charging solutions, we view Formula E as the ideal event to demonstrate that e-mobility works. As such, it provides us with a unique opportunity to engage with customers around the world while building a sustainable future.

ABB is equally committed to the sustainability of its own operations. With the long-term ambition of making our company fully carbon-neutral, we inaugurated our first carbon-neutral factory in Lüdenscheid, Germany, as an example of what can be done to make industry truly sustainable.

Equipped with a solar power station and other state-of-the-art technologies, the factory is on its way to becoming energy self-sufficient and demonstrating all the advantages of intelligent, digitally controlled industrial ecosystems.

Reaffirming that ABB is prepared to speak out on climate change and take action to help solve the technical challenges it presents, I joined with other global CEOs in December 2019 to sign a statement calling on the United States to remain within the Paris Agreement. I strongly believe that it is to the advantage of the United States and the world as a whole to meet the goals of the Paris Agreement. The benefits to be realized are economic, social, environmental and more. As a digital technology company at the forefront of industrial modernization, ABB is pleased to be at the center of the effort to safeguard our planet.

In March 2020, I am handing over the CEO role to my successor Björn Rosengren. Björn will continue to drive our transformation with the ultimate goal of making ABB the No. 1 choice for industrial customers seeking to drive the productivity and sustainability of their businesses.

Sincerely,

Peter Voser
Chairman and CEO

February 2020

