

SUSTAINABILITY GOVERNANCE

ABB's integrated governance enables it to meet expectations

Sustainability lies at the core of ABB's business strategy, informing what we manufacture, how we operate and the way we work with stakeholders

Structures and responsibilities

The Board of Directors is responsible for the stewardship of the ABB Group, and its duties include oversight of sustainability and corporate responsibility. The board is charged with ensuring that our products and people are safe, the environment is protected and human rights are respected. As such, it is ultimately accountable for bringing ABB's 2020 sustainability strategy to fruition.

The ABB Sustainability Board, which comprises the Executive Committee and is chaired by the CEO, is accountable for sustainability within ABB. Meeting semi-annually, this board ensures our sustainability policies and programs are aligned with our business goals and aspirations, monitoring progress against ABB's nine sustainability objectives. The Chief Human Resources Officer (CHRO) is a Member of the Group Executive Committee and is responsible for ABB's health, safety, environment, security and sustainability (HSE/SA) performance and the successful implementation of ABB's sustainability strategy. The Group General Counsel, also a Member of the Group Executive Committee, is responsible for ABB's integrity performance.

The Senior Vice President Global HSE and Sustainability Affairs (SVP HSE/SA) reports to the CHRO and is responsible for all sustainability deliverables. The HSE/SA Leadership Team, comprised of the heads of HSE for the businesses

and the functional heads from corporate HSE/SA, meets at least three times a year to align on business needs and strategy, chaired by the SVP HSE/SA. That function also leads the HSE/SA Management Team, which meets every two months. This team is focused on operations and is responsible for making sure HSE/SA's strategies, plans and actions are in sync with ABB's business needs and corporate strategy. To this end, the HSE/SA Management Team initiates and directs sustainability policies, strategies, plans, actions, budgets and resources, adopting remedial measures when required. Its members include the Head of Health, Head of Safety, Head of Environment, Head of Security, Head of Sustainability and Head of Corporate Responsibility. The Sustainability Affairs annual plan coordinates all programs, processes and resources across all of these functional areas to support the businesses, improve performance, diminish risk and generate value.

ABB has established Country Sustainability Boards at the local level to maintain good governance and ensure compliance with local legislation, ABB's standards and customer expectations. A team of roughly 800 full-time and part-time employees support ABB's sustainability network.

A global HSE/SA management system

In 2018, we began implementing the ABB Way. This global management system updates our management and control standards for health, safety, the environment, security, sustainability

and corporate responsibility. The ABB Way establishes shared expectations across our global businesses. Our goal is for all of our sites to be aligned with this new management system by January 2020. As of December 31, 2019, the implementation process was 65 percent complete. The ABB Way, which sets the minimum standards that must be implemented across all ABB operations and activities, features a far-reaching global audit assurance program. The structure of ABB's HSE/SA management system is based on internationally recognized sustainability standards, principles and commitments, including ISO 45001 and 14001:2015.

