

# Independent Assurance Statement

ABB Management Services Ltd (“ABB”) commissioned DNV GL Business Assurance Services UK Limited (“DNV”, “we”, or “us”) to undertake independent assurance of the ABB Sustainability Report 2020 for the year ended 31<sup>st</sup> December 2020.



## Our Opinion:

- On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe ABB’s adherence to the Principles of stakeholder inclusiveness, materiality, sustainability context and completeness.
- In terms of quality of the Performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate.

Our observations and areas for improvement will be raised in a separate report to ABB’s Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

## Stakeholder inclusiveness

***The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.***

The stakeholder consultation on material issues was a good example of how ABB had considered stakeholder views in reviewing its material issues at both a Group and Business Area level.

The ABB stakeholder panel role evolved in 2020 to provide input on the development of the 2030 strategy and targets. Going forward we recommend reporting more explicitly on the stakeholder feedback received and how ABB responded to this.

## Materiality

***The process for determining the issues that are most relevant to an organisation and its stakeholders.***

ABB went through a comprehensive process to update its materiality matrix this year and used this to define its 2030 strategy and targets. The Report was developed referencing the previous materiality matrix, as that had defined the 2020 strategy and targets. We recommend future Reports specify the most current materiality matrix.

We found that the management approach for material issues was well embedded within the business at Group level. As Operational management is now focused within Business Areas, it will be important to ensure the Sustainability programmes are fully embedded within each Business Area. Establishing materiality matrices by Business Area was an important first step, and we recommend further embedding the Sustainability targets and programmes within each Business Area is a priority this year.

## Sustainability context

***The presentation of the organisation’s performance in the wider context of sustainability.***

The work to determine the 2030 Sustainability targets in time for the completion of the 2020 ones was a strength. We recommend that ABB also publishes the definitions that support these targets, to add to the transparency of the Report and help ensure performance is reported consistently.

## Completeness

***How much of all the information that has been identified as material to the organisation and its stakeholders is reported.***

Following the launch of the 2030 Sustainability strategy and targets, we recommend ABB reviews its Report to focus on the new strategy and considers whether reporting on issues and data that are now less relevant can be reduced or removed.

We recommend ABB continue to work on improving the precision and completeness of its scope 3 GHG emissions estimates and links these with the performance reported against 2030 targets, where relevant.

ABB should consider reporting more detail on its future intentions with respect to climate related financial disclosures.

## Quality

***The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.***

Overall, for the performance data in scope, we had confidence in the processes and systems to ensure the information presented in the Report was accurate.

For environment data we noted a broader range of indicators were reported on a quarterly basis internally, which had enhanced the reliability of these data.

For safety we noted that the new reporting system provided greater automation of workflow, adding to the reliability of the data.

During our site reviews we observed some inconsistencies in the audit trail for the data reported for consolidation. We recommend sites are provided with more specific guidance on how they should collect and calculate data and evidence for their reported performance.

As greater responsibility for data collecting and quality moves to the Business Areas, we recommend there is clearer documentation of the reporting and consolidation process to help ensure consistency between Business Areas.

## Scope and approach

We performed our work using DNV's assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including the International Standard on Assurance Engagements 3000 ("ISAE 3000"), and the Global Reporting Initiative ("GRI") Sustainability Reporting Guidelines. We evaluated the pdf version of the Report for adherence to the GRI Principles for defining report content of stakeholder inclusiveness, materiality, sustainability context and completeness (the "Principles"). The review of financial data taken from the Annual Report and Accounts is not within the scope of our work. Performance claims within case studies are also outside scope.

## Performance data

The scope of our work covers the following disclosures ("Performance data") from the Report:

- 2020 Performance data for indicators marked as assured in the ABB Group Sustainability Indicators 2020 table starting on page 119 of the pdf version of the Report: Hazardous Materials; 302-1 Energy Consumption; 302-3 Energy intensity; 303-1 Water withdrawal; 305-1 Scope 1 GHG emissions; 305-2 Scope 2 GHG emissions; 305-3 Scope 3 GHG emissions (air travel only); 305-4 GHG emissions intensity; 305-7 Emissions of Volatile Organic Compounds (VOC); 306-2 Waste; 403-9 Safety (lost days excluded).
- 2020 Performance data for the 2020 targets on pages 11-12 of the pdf version of the Report.

We evaluated the Performance data using the GRI Reporting Principles for defining report quality (accuracy, balance, clarity, comparability, reliability and timeliness) together with ABB's [Target definitions and methodology](#) that describes how the data are measured, recorded and reported. The review of any data from prior years is not within the scope of our work (this includes any data in scope in previous years that has been re-stated).

## Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at group and site level. We undertook the following activities:

- Review of the sustainability issues for the year that could affect ABB and are of interest to stakeholders;
- Review of ABB's approach to stakeholder engagement and recent outputs;
- Review of information provided to us by ABB on its reporting and management processes relating to the Principles;
- Interviews with nine selected Directors and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. We were free to choose interviewees and interviewed those with overall responsibility for the programmes to deliver the nine Sustainability Objectives for 2020;
- Site reviews to review processes and systems for preparing site level environment and safety data in scope. The sites were selected as they were significant sites for sustainability data and impacts that hadn't been visited or reviewed for the assurance process in the last five years. The sites were located in Shanghai, China; Plovdiv, Bulgaria; Johannesburg, South Africa.
- Review of supporting evidence for key claims in the Report. Our checking processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at a consolidated group level; and
- Review of the processes for gathering and consolidating the specified Performance data and, for a sample, checking the data consolidation.

For and on behalf of DNV GL Business Assurance Services UK Limited, London, UK  
12<sup>th</sup> March 2021



**Gareth Manning**  
Principal Consultant and Lead Assuror  
Sustainability UK



**Shaun Walden**  
Principal Consultant and Reviewer  
Sustainability UK

## Responsibilities of the Directors of ABB and of the assurance providers

The Directors of ABB have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of ABB; however, our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

## Level of assurance

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our Assurance Opinion. We are providing a 'limited level' of assurance. A 'reasonable level' of assurance would have required additional work at Group and site level to gain further evidence to support the basis of our Assurance Opinion.

## Independence

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. We have no other contract with ABB which would constitute a conflict of interest with this assurance work.

## DNV Business Assurance

DNV GL Business Assurance Services UK Limited is part of DNV Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

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