



CEO message

Dear stakeholders,

The year 2020 will go down as a turning point in history – not just because of the COVID-19 pandemic that has disrupted all of our lives, but because it has focused further attention on issues that the world must address in the years and decades to come. In particular, the year’s events have crystallized people’s attitudes toward many of the most important aspects of sustainability.

This was only natural during a time when each of us was compelled to examine such basic questions as how we earn a living, how we rely on each other and our environment, and how corporations, governments and civil society should work together for the greater benefit of present and future generations. In our virtual meeting rooms and home offices around the world, we have all devoted considerable time, thought and discussion to how we can create a healthier and more prosperous world.



Having taken over as CEO on March 1, 2020, I am extremely proud of how our people handled the COVID-19 crisis so far. We took care of each other, keeping ourselves safe, while working tirelessly to support our customers, partners and suppliers. We also worked closely with customers to maintain power supplies and other critical services. And we launched a Group-wide, global effort to support communities most vulnerable to COVID-19.



ABB's handling of COVID-19 reflects our long history of sustainable and responsible business practices, which we began reporting on in 1994. I am pleased and proud to say that, in 2020, we delivered a good performance against our environmental, social and governance (ESG) targets and exceeded most of them.

Thanks to our strong focus on safety, the number of serious work injuries among employees and contractors continued to decline. Tragically, however, two people lost their lives working for ABB in 2020. Moving forward, we will drive continuous progress on health and safety, including measurable improvements year after year. We are equally committed to respecting human rights through responsible partnerships and conduct regular training with employees and suppliers. Finally, with our leading technologies, we have helped many of our customers implement eco-efficient solutions in their operations.

In terms of our own environmental performance, we exceeded our target of reducing our greenhouse gas emissions, achieving a reduction of 58 percent compared with a 2013 baseline, against a target of 40 percent. Another notable achievement was the reduction in water consumption in water-stressed areas. We also improved gender diversity, increasing the number of women in senior management roles to 13.5 percent. Diversity and inclusion will be a key focus going forward.

Sustainability strategy 2030

Last November, we introduced our 2030 sustainability strategy, based on our company Purpose. Our Purpose answers the “why” we are in business, which first and foremost is to create superior value for all of our stakeholders. To achieve that goal, we must balance the needs of society, the environment and the economy in our own operations and across our value chain. In 2020, we engaged with key stakeholder groups, which enabled us to review our material sustainability topics.

As a technology leader with operations in more than 100 countries, we are focusing on those areas in which we can make the biggest impact – enabling a low-carbon society by reducing greenhouse gas emissions, preserving resources and promoting social progress. In this way, we also contribute to the United Nations' Sustainable Development Goals, of which ABB has always been a strong advocate. We measure progress through our comprehensive governance framework, based on integrity and transparency – the foundation of everything we do.

With our skilled people and leading technologies, we can make a strong contribution to a low-carbon society. Our 2030 commitment is to help our customers reduce their annual CO₂e (carbon-dioxide equivalent) emissions by at least 100 megatons, equivalent to the annual emissions of 30 million combustion cars. This is where we make the biggest impact, with technologies that improve energy efficiency and enable the electrification of industries, infrastructure and transport. We will also lead by example by reaching carbon neutrality in our own operations by 2030 by continuing to transition to renewable sources of energy, improving energy efficiency across our factories and sites, and converting our vehicle fleet to electric or other non-emitting alternatives.



To preserve natural resources, our approach is to systematically reduce waste, increase recycling and reusability, and improve product durability. We aim to have at least 80 percent of our products and solutions covered by a circularity approach by 2030 and will systematically improve circularity in our supply chain through our supplier sustainability framework, which focuses on ESG performance.

Finally, we will promote social progress through our own operations and in our communities around the world, including championing human rights across the value chain. Within ABB, we are creating safe, fair, equitable and inclusive working environments in which our people can succeed and develop, as well as reinforcing our long-standing commitment to community engagement around the world.

To ensure we reach our sustainability targets, we have firmly integrated them into ABB's decision-making processes and have accountabilities and incentive plans in place to drive action.

With our great people, leading technologies and the support of our stakeholders, I am confident that we will meet our targets for 2030 and be a leading contributor to sustainable development. Thank you for your trust and support.

Best regards,

Björn Rosengren

Chief Executive Officer