



Swiss Sustainability Leaders SRI Conference, October 4, 2013

Adam Roscoe, Head of Sustainability

Ron Popper, Head of Corporate Responsibility

Integrating sustainability into our business

Agenda

Overview: ABB and sustainability

Resource efficiency

Sustainability risk management

A global leader in power and automation technologies

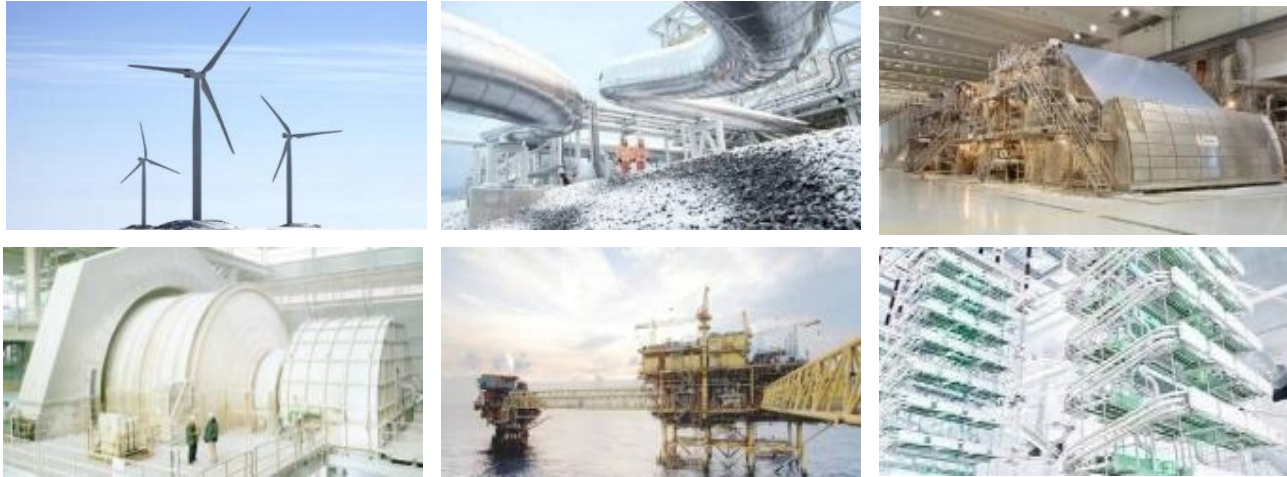
Leading market positions in main businesses



- 145,000 employees in about 100 countries
- \$39 billion in revenue (2012)
- Formed in 1988 merger of Swiss and Swedish engineering companies
- Predecessors founded in 1883 and 1891
- Publicly owned company with head office in Switzerland

Power and productivity for a better world

ABB's vision



As one of the world's leading engineering companies, we help our customers to use electrical power efficiently, to increase industrial productivity and to lower environmental impact in a sustainable way.

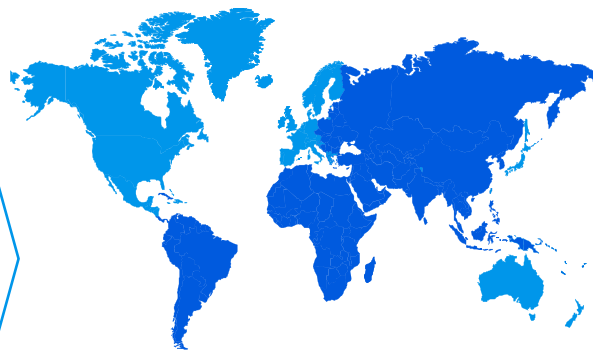
Power and productivity for a better world

Our contribution

Sustainable products and technology ...

- Industrial automation products and systems that use less energy and raw materials
- Power transmission and distribution solutions to deliver electricity more reliably, with lower losses and less environmental impact

... delivered globally



Approx. share of total revenues 2012

52%	48%
Mature markets	Emerging markets

... with strong processes

- Well-being of our people
- Social progress
- Ethics and integrity

Benchmarked internally and externally

ETHI SPHERE
GOOD. SMART. BUSINESS. PROFIT.

CDP
DRIVING SUSTAINABLE ECONOMIES

Dow Jones
Sustainability Indexes

OHSAS 18001
Occupational
Health and Safety
Management

ISO 14001
ENVIRONMENTAL
MANAGEMENT SYSTEMS

FTSE4Good

Drivers for enhanced Sustainability focus in ABB

Customer requirements	Strengthened laws & standards	Investor expectations	Employees	Value chain & society
<p>Require information and legally binding assurance</p> <ul style="list-style-type: none"> • OHS performance • Carbon footprint • Hazardous substances • Water impacts • Sustainability practices in supply chain • Human rights performance • Social performance • Risk assessments in projects • Life cost ownership of products and systems 	<p>Conflict Minerals</p> <ul style="list-style-type: none"> • Dodd Frank Act (Conflict Minerals) • EU equivalent <p>Hazardous substances</p> <ul style="list-style-type: none"> • REACH • RoHs <p>Human Rights</p> <ul style="list-style-type: none"> • UN Guiding Principles • Global Compact • EU, OECD, IFC Guidelines <p>Occupational Health and Safety</p> <p>Security</p> <ul style="list-style-type: none"> • Duty of care • CTPAT (US) • Authorized Economic Operators (EU) 	<p>Require information on value creation, conservation and sustainable revenue and profit generation</p> <ul style="list-style-type: none"> • Integration of sustainability into business strategy • Risk management • Integrity • Sensitive Countries • Human Rights performance • OHS performance • Gender equality • Discrimination • Unions 	<p>Dedicated and skilled people</p> <ul style="list-style-type: none"> • Attract and retain talent • Safe and secure workplace 	<p>From managing risks in our operations to resilience in:</p> <ul style="list-style-type: none"> • R&D • Supply Chain • Logistics • M&A • Projects • Service • ABB's Operations <p>Society drivers and challenges</p> <ul style="list-style-type: none"> • Our place in the wider community Resource efficiency • Product life-cycle – close the loop • Corporate citizenship, taxation • Intra- and inter generational equity

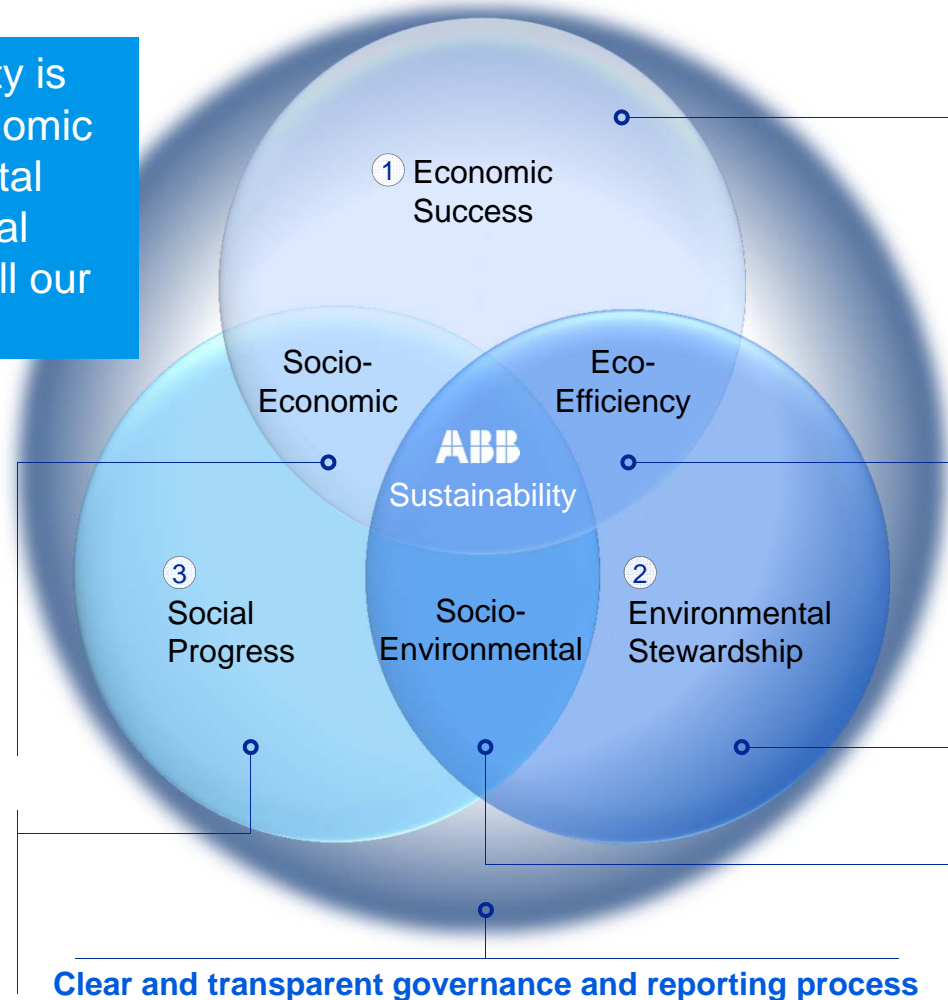
Framing megatrends: Resource economics, urbanization, digital, transportation and mobility, 'green', electrification, emerging economies

Sustainability

What it means to ABB

For ABB, sustainability is about balancing economic success, environmental stewardship and social progress, to benefit all our stakeholders

- Health & Safety
- Job creation
- Business ethics
- Security- and crisis management
- Social investments
- Learning & Development
- Local economic impacts
- Employment and labor relations
- Human rights
- Diversity and inclusion
- Community involvement

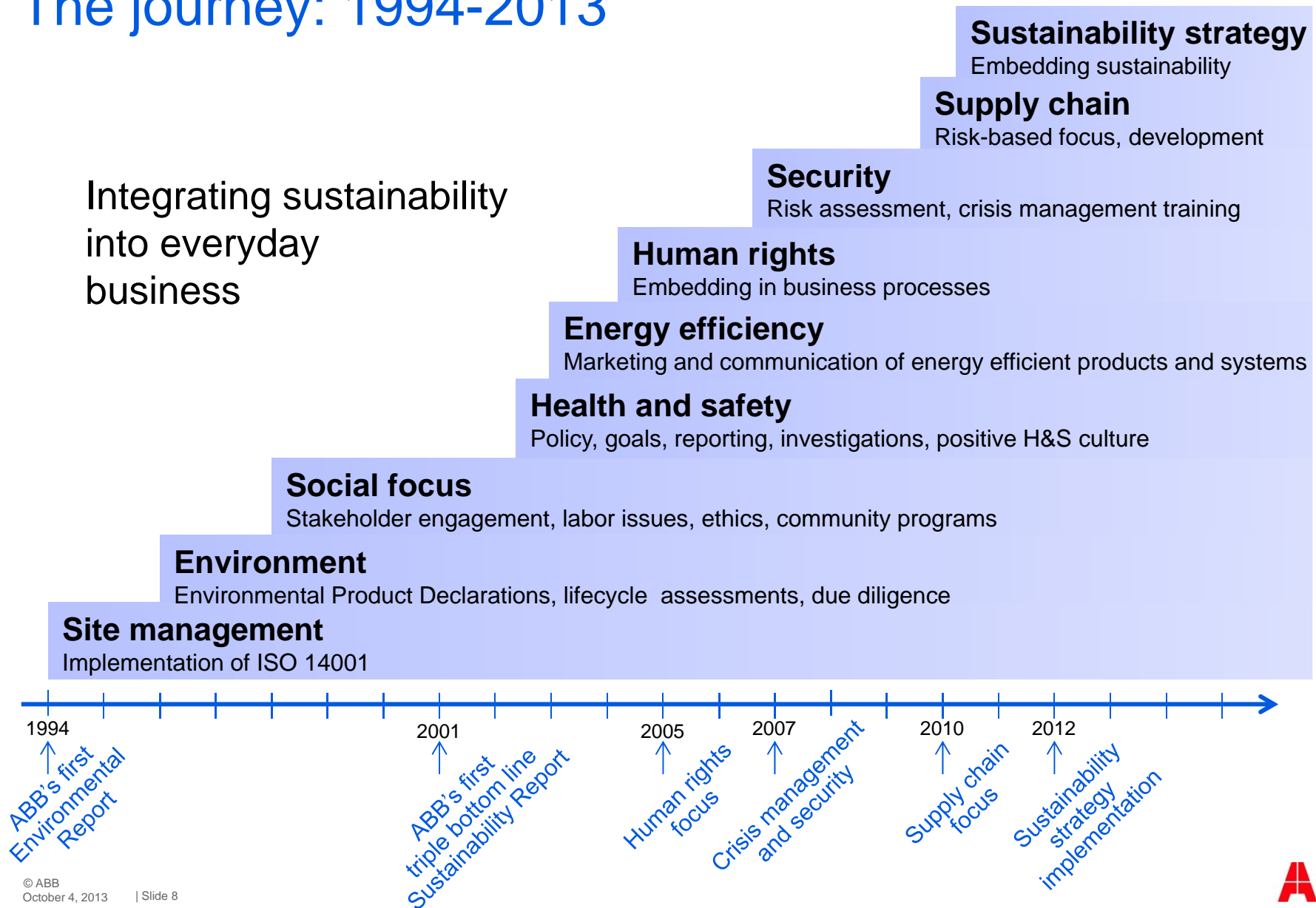


- Innovation
- Revenue growth
- Return on capital employed
- Risk Management
- Brand value
- Margin improvement
- Shareholder returns
- Energy efficiency
- Sustainable products
- Clean tech markets
- Resource efficiency
- Product stewardship
- Product Life-cycle management
- Emissions
- Energy- and resource use
- Environmental impacts
- Waste releases and spills
- Biodiversity
- Climate change
- Access to electricity
- Environmental regulations, jurisdiction and claims

Sustainability in ABB

The journey: 1994-2013

Integrating sustainability
into everyday
business



Sustainability Strategy 2015+

Goal

- By 2015 and beyond, ABB will be a leading contributor to a more sustainable world and will be recognized as a top-performing company in terms of sustainable business practice.

Strategy

- We work with all parts of business to embed sustainability considerations and values across ABB's value chain

Governance

- Governance Board (entire Executive Committee) reviews progress on annual basis
- Executive Committee member responsible for sustainability
- External stakeholder engagement

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Sustainability risk management

Sustainability integrated into our business

Overview



In our business model

- Energy saving products and solutions for customers
- Technology which strengthens production and availability of renewable energy
- Increased efficiency and productivity for industrial customers

In our business processes

- Environmental, social, health and safety, security risk assessments for projects, supply chain and acquisitions
- Sustainability embedded in R&D
- Internal instructions and processes in place to guide business behavior; supported by sustainability training at all levels

Value for our business

Revenues

55% of revenues from products and solutions related to renewable energy, energy efficiency and reduced environmental impact

Renewables

200 GW of renewable energy integrated with help of ABB technologies and solutions, enough power for 70 million people

Wind

40,000 wind turbines worldwide are equipped with ABB generators and converters

Sustainability - part of our business

Energy and resource efficiency



Energy and resource efficiency are integrated into our technology and what we offer customers

ABB is world's

- Largest supplier of high-efficiency power grids to integrate renewable energy
- Largest manufacturer of energy efficient industrial motors and drives
- Largest provider of generators to wind industry
- Second largest solar inverter company, following Power-One acquisition

Sustainability in acquisitions

Power-One and ABB create strong solar inverter leader

Application

Utility-scale



Commercial



Residential



Comprehensive offering for solar inverters and solutions

Power-One complements ABB with the most extensive portfolio of products in the industry today

Global reach to address rapidly developing markets

ABB's established presence in more than 100 countries ensures "first to market" benefits

Bringing competencies together to create a global solar PV inverter leader

Power-One: Inverter technology leader with fastest time to market track record

ABB: A bankable global leader in power electronics and smart grids



Sustainability - part of our business

Building world's largest nationwide network of EV fast-charging stations in Netherlands



- >200 electric vehicle fast-charging stations
- Able to charge in 15-30 minutes
- Value-based services for uptime and reliability management
- Cloud connectivity allows user-friendly payment
- Compatible with all major car brands
- First chargers for delivery in Autumn 2013
- Stations expected to be completed by 2015

Fast-chargers to be separated by max.
50 km along all highways in the Netherlands

Managing our own environmental performance

Internal processes in place

Low electricity use

1.5 TWh

(Terawatt hours) of electricity per year is used at ABB's 390 manufacturing sites and offices – the same amount as a single paper mill in Sweden

Low emissions

1.5 million tons of greenhouse gases are emitted by ABB each year around the world - less than the emissions from one modern cement plant

Lowering energy use

2.5% reduction in energy use per employee every year - the target of ABB's environmental performance improvement program

Source and for more detail: ABB 2011 Group Sustainability Report (www.abb.com/sustainability)

Sustainability in the business: R&D

HSE checklists integrated into process



- Checklist supports early identification of relevant HSE aspects in R&D projects
- Included as requirement in Gate Model
- Five checkpoints
 1. Prohibited or restricted substances
 2. HSE-related legislation
 3. Identification of risks during manufacturing and operation of product
 4. Resource consumption
 5. Recycling / end-of-life

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Sustainability in our business

Risk management

We work to

- Strengthen understanding and monitoring of sustainability risks in supply chain
- Improve health and safety at project sites/own facilities
- Mitigate security risks to our people, installations and assets, and ensure business continuity
- Identify and mitigate potential human rights risks

We do this through

- Being embedded in business processes (Supply chain, project risk reviews, M&A)
- Global training programs (OHS, security, human rights)

Sustainability in our business

Sourcing



ABB supply chain goals and activities

- Promote safe and healthy working environment according to internationally recognized standards throughout supply chain
- Disseminate best practice to suppliers and enable sharing via cooperation programs
- Supplier development and training as well as audits
- Intensify internal and external awareness and understanding of sustainability obligations

Sustainability in our business: HSE performance

Managing our impacts



- ABB manages health, safety and environment (HSE) impacts by operating in compliance with ISO 14001 and OHSAS 18001 management standards
- This includes commitment to continuous improvement
- Two-thirds of ABB's 390 sites reported ongoing environmental improvement projects in 2012
- ABB met group commitment to annually reduce energy intensity by 2.5%
- OHS improvement programs in business units raised performance on business unit-specific risks
- Widespread OHS training programs

Sustainability in our business: Security

Working in risky environments

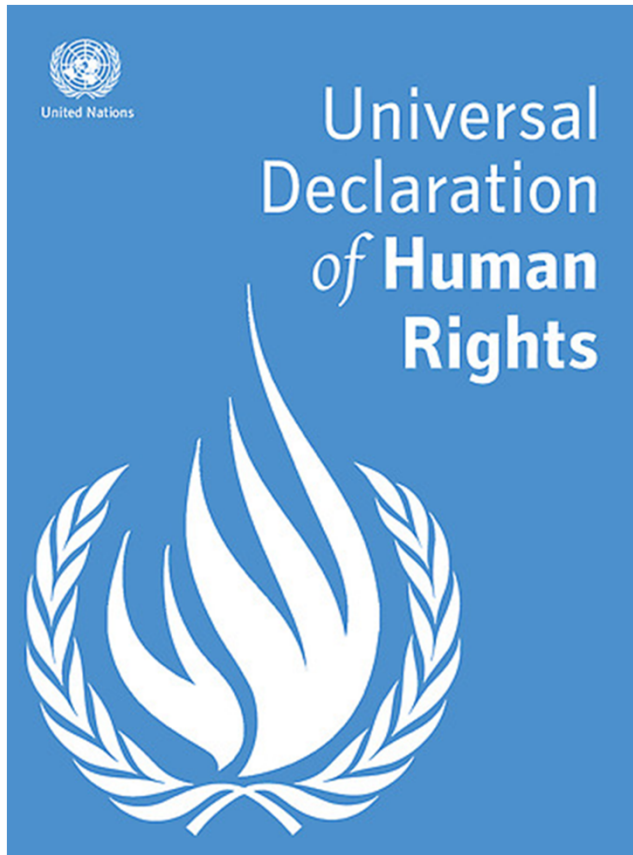


ABB is present in challenging security environments. Global network of security specialists work with business to

- Ensure employee and contractor safety at customer, project and company sites
- Protect assets and facilities
- Maintain business continuity in emergencies
- Train managers and employees how to react to crises or emergencies
- Train (and where necessary activate) security and crisis management groups at corporate, regional and national levels to manage issues and risks

Sustainability in our business: Labor/human rights

Identifying risks



Internal specialists work closely with business to

- Carry out due diligence on projects (e.g. hydro, mining, pulp and paper)
- Identify and mitigate risks for business and M&A

Global training programs to

- Raise awareness among managers of risks, consequences of errors and stakeholder expectations
- Inform about new trends and standards on business and human rights
- Build capacity within company

Conclusion: Delivering sustainable solutions globally

Embedding sustainability into all aspects of business

- A broad portfolio of sustainable products and technologies in power and automation
- Delivered through a strong global network
- Sustainability is measured and benchmarked ...
- ... and embedded into our
 - Products and their development
 - Business processes
 - Sites and activities
 - Corporate culture

Sustainability generates value for all of ABB's stakeholders

Power and productivity
for a better world™

