



May 21, 2015 – Nomura Responsible Investing Conference in Paris

Sustainability at ABB

Important notices

¶ This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for ABB Ltd. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook” or similar expressions.

¶ There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others:

- business risks associated with the with the volatile global economic environment and political conditions
- costs associated with compliance activities
- raw materials availability and prices
- market acceptance of new products and services
- changes in governmental regulations and currency exchange rates, and,
- such other factors as may be discussed from time to time in ABB Ltd's filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F.

¶ Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

¶ This presentation contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in “Supplemental Financial Information” under “Financial results & presentations” – “Quarterly results & annual reports” on our website at www.abb.com/investorrelations

Agenda

ABB: well positioned in attractive markets

Our approach and objectives

Creating value for stakeholders

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Well positioned in attractive markets

ABB today

What
(Offering)

Power & Automation

Power ~ 40% of revenue

Automation ~ 60% of revenue

For whom
(Customers)

Utilities

~35% of revenue

Industry

~45% of revenue

Transport &
Infrastructure

~20% of revenue

Where
(Geographies)

Globally

AMEA¹ 37%

Americas 29%

Europe 34%

\$40 bn
revenue

~100
countries

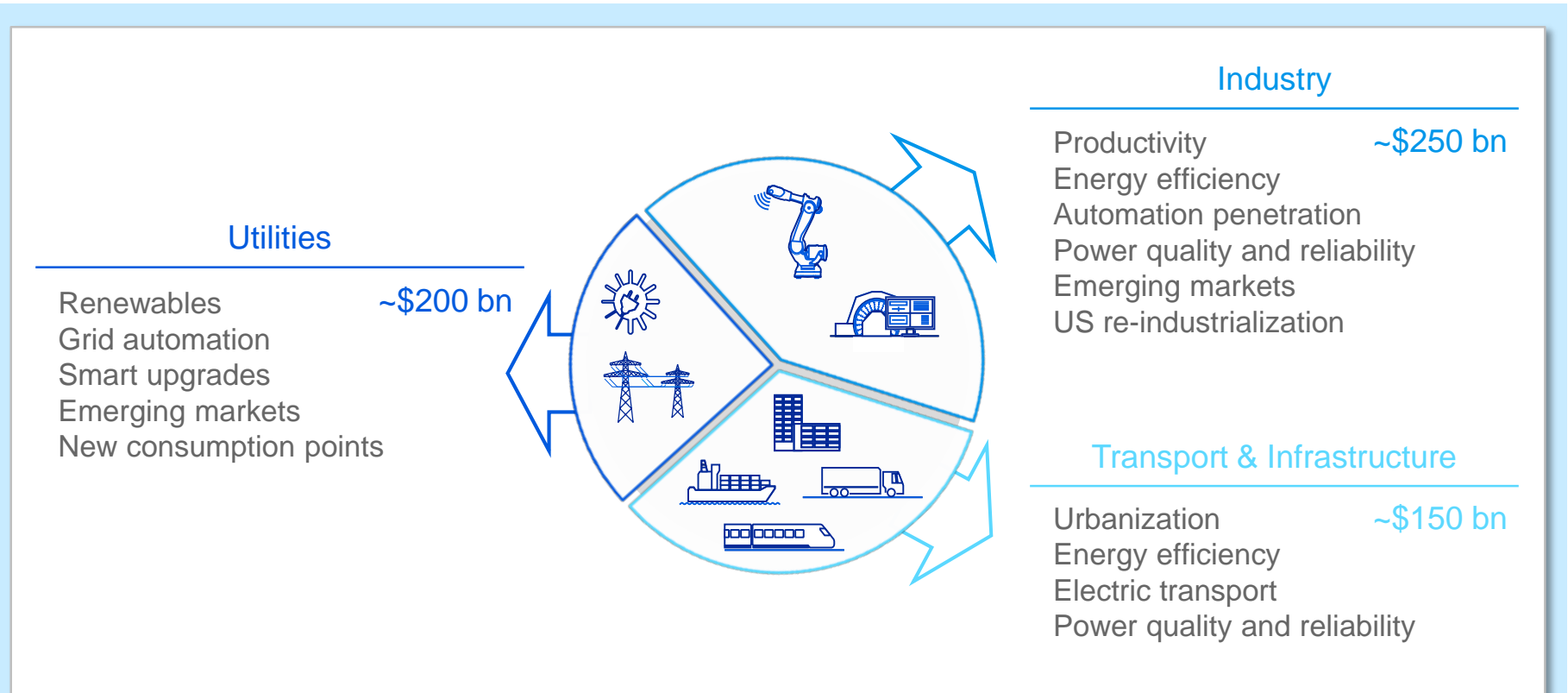
~140,000
employees

Single “A”
credit rating

HQ Zurich

Well positioned in attractive markets

Power & automation demand drivers



Significant market opportunities – today: ~ \$600 bn, 2020: ~ \$750 bn

Well positioned in attractive markets

A leader in all our business segments – examples

Power & Automation

Utilities



#1 in transmission and distribution
Technology pioneer (FACTS¹, HVDC² breaker, etc.)
Deepest and broadest portfolio of offering footprint

Largest installed T&D³ base
Leading service capabilities
#2 in solar inverters
Strong innovative software portfolio

Industry



#1 in Distributed Control Systems
#1 in gearless mill drives for mining
#1 in industrial motion (motors and drives)

A leading robotics player
Strong innovative software portfolio
Leading service capabilities

Transport & Infrastructure



A leading player in infrastructure / building electrification
#1 in electric propulsion for ships
#1 in terminal automation for ports
#1 for large industrial turbochargers

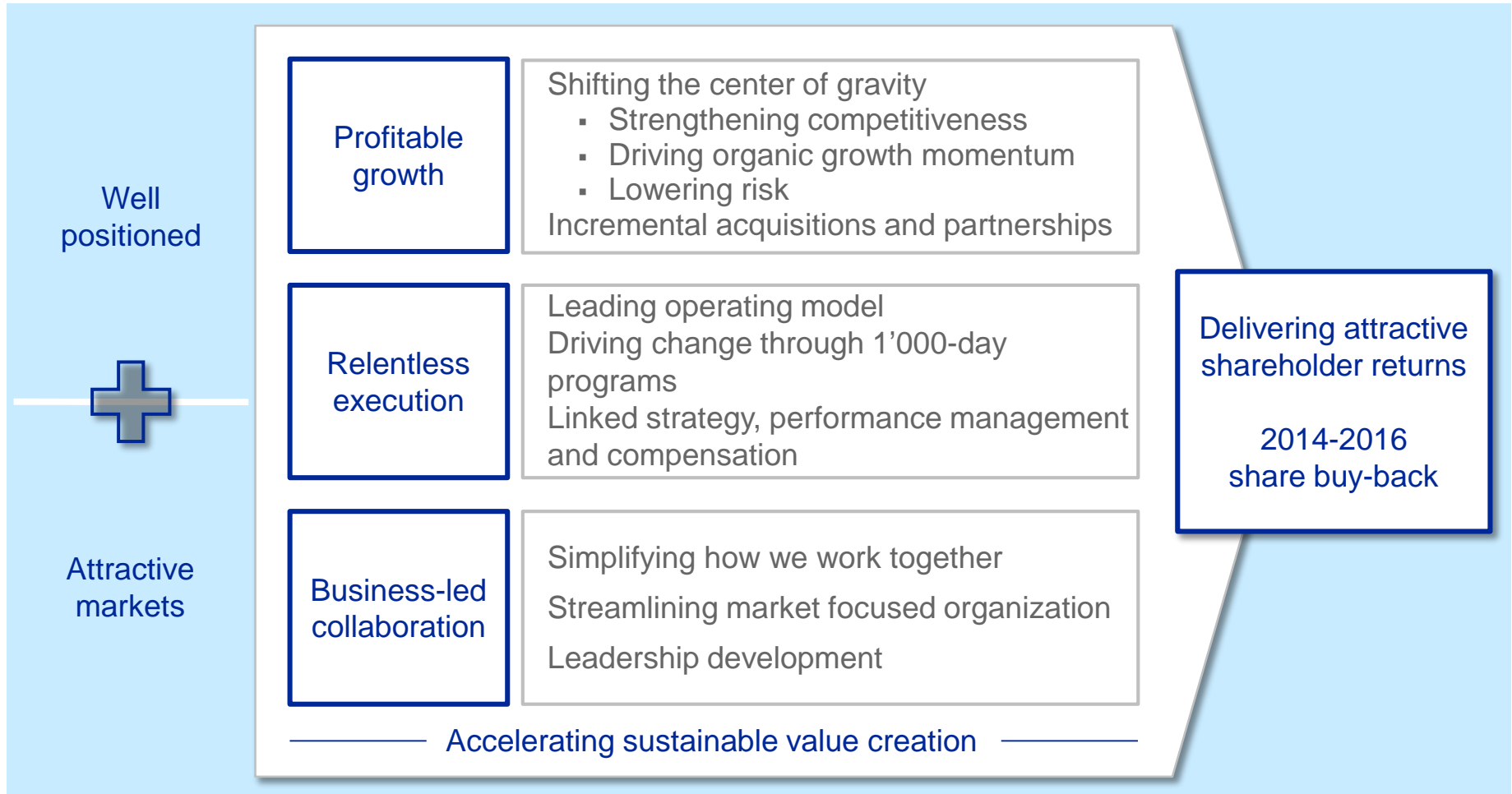
A leading player in electric train traction systems
A leading player in high-speed train retrofits and wayside power systems
A market and technology leader in EV⁴ charging

Our aspiration: #1 or #2 in all segments

Well positioned in attractive markets

Shaping a global leader in power & automation

Presented September 9th, 2014



Agenda

ABB: well positioned in attractive markets

Our approach and objectives

Creating value for stakeholders

CEO statements on sustainability

“A value creator, embedded in the business”



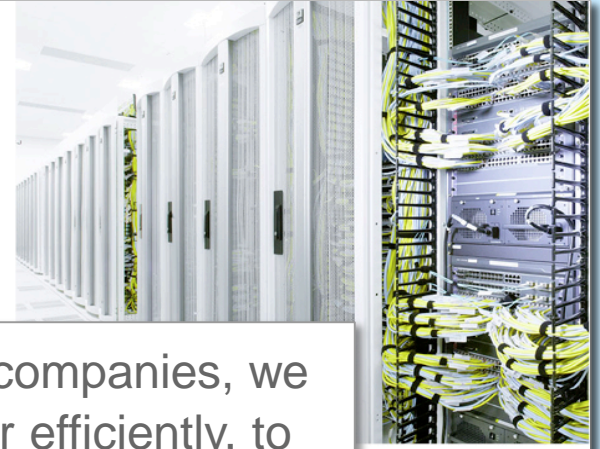
“When we speak of taking business to the next level, sustainability is an integrated part of that journey.”

“Embedding sustainability considerations into our daily business helps us in different ways to create value and to manage risk.”

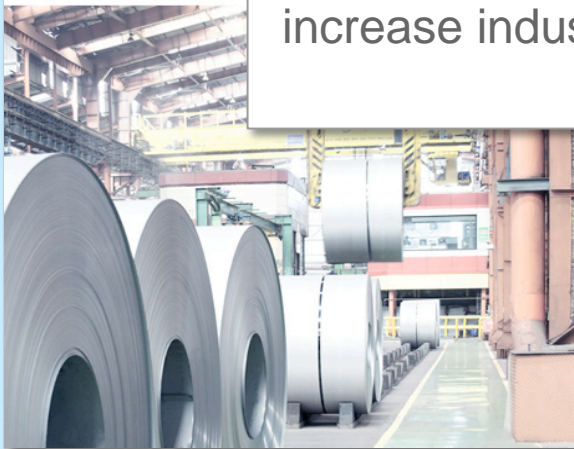
Ulrich Spiesshofer, CEO in 2014
Sustainability Performance Report

Power and productivity for a better world

ABB's vision

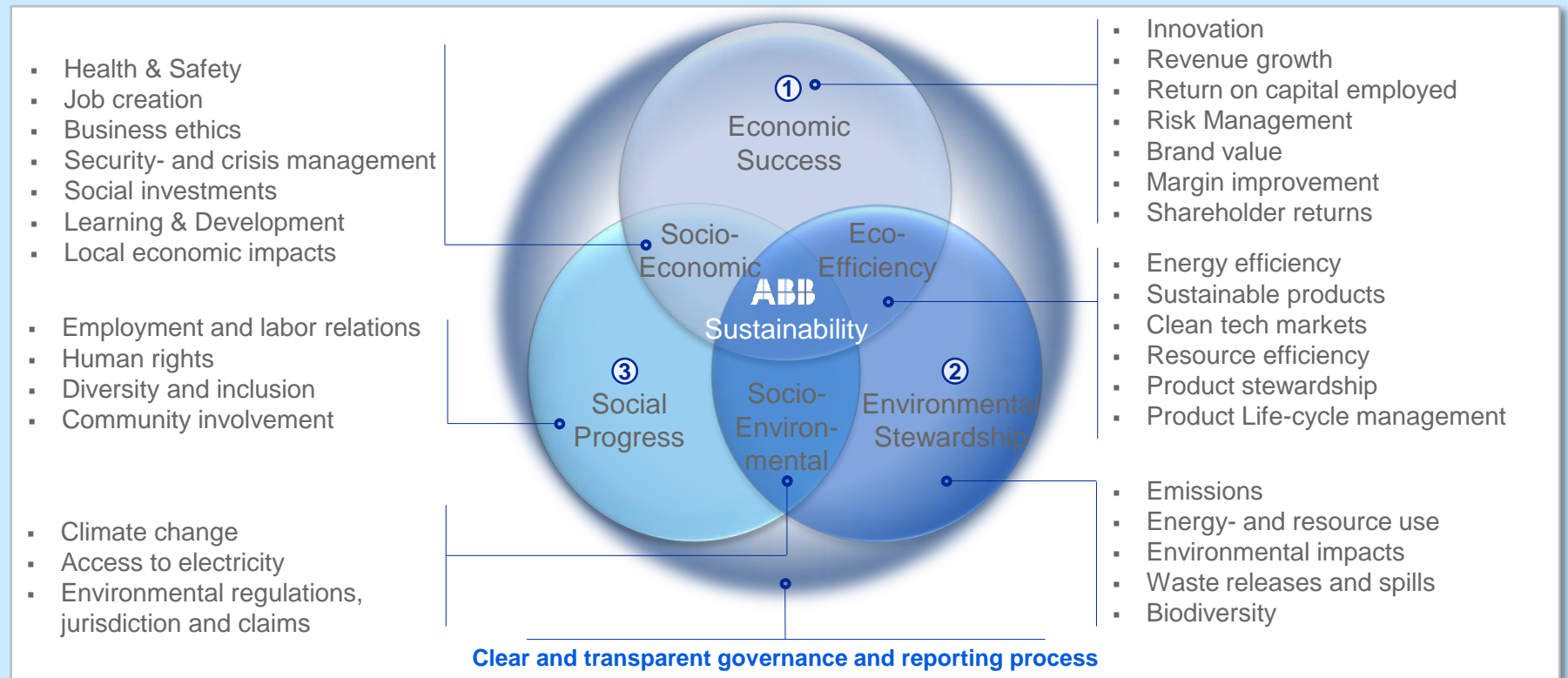


As one of the world's leading engineering companies, we help our customers to use electrical power efficiently, to increase industrial productivity and to lower environmental impact in a sustainable way.



Sustainability

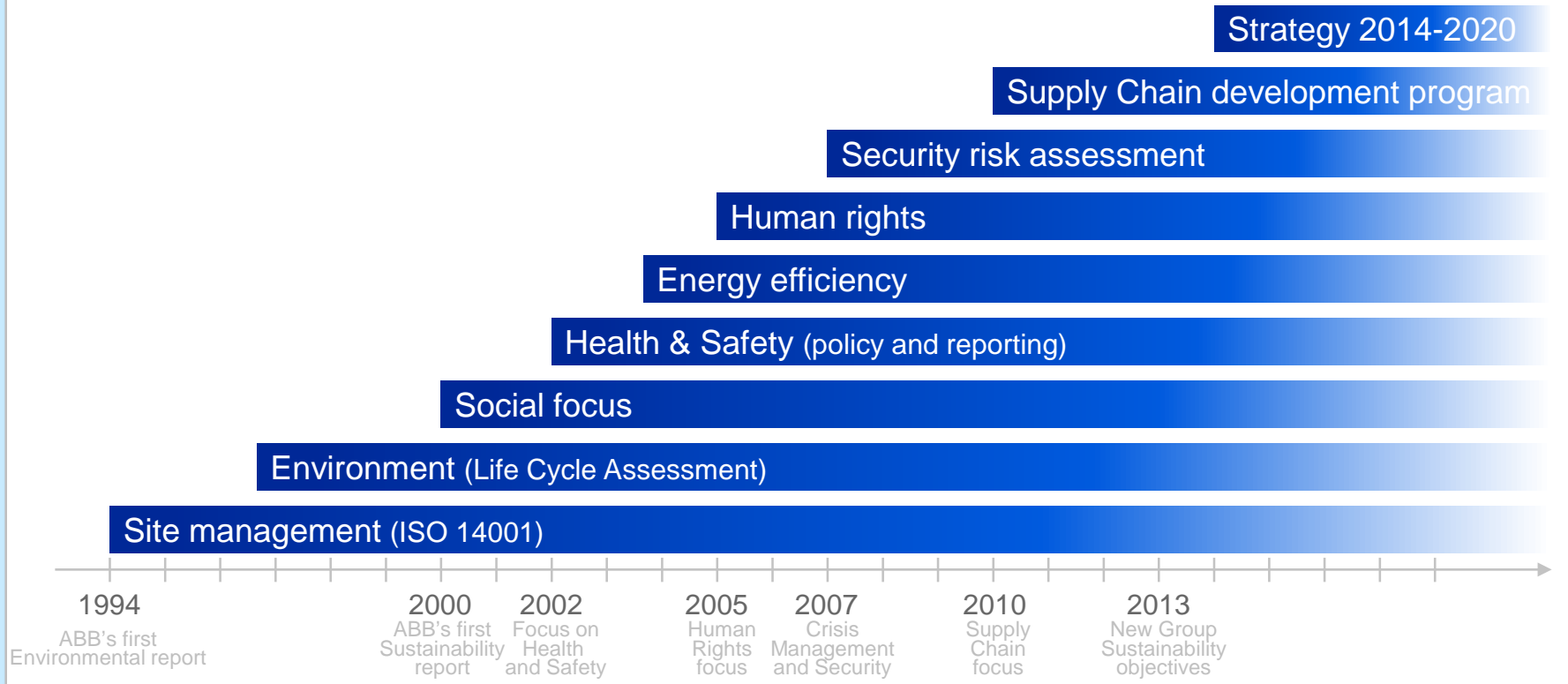
What it means to ABB



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

Our journey

Integrating sustainability into everyday business



ABB's sustainability goal for 2020

By 2020 and beyond, ABB will be recognized as a leading contributor to a more sustainable world through its unique business offering and sustainable business practices

These help us capitalize on market opportunities and reduce safety, security, social and environmental risks, for the benefit of our customers, employees and all other stakeholders



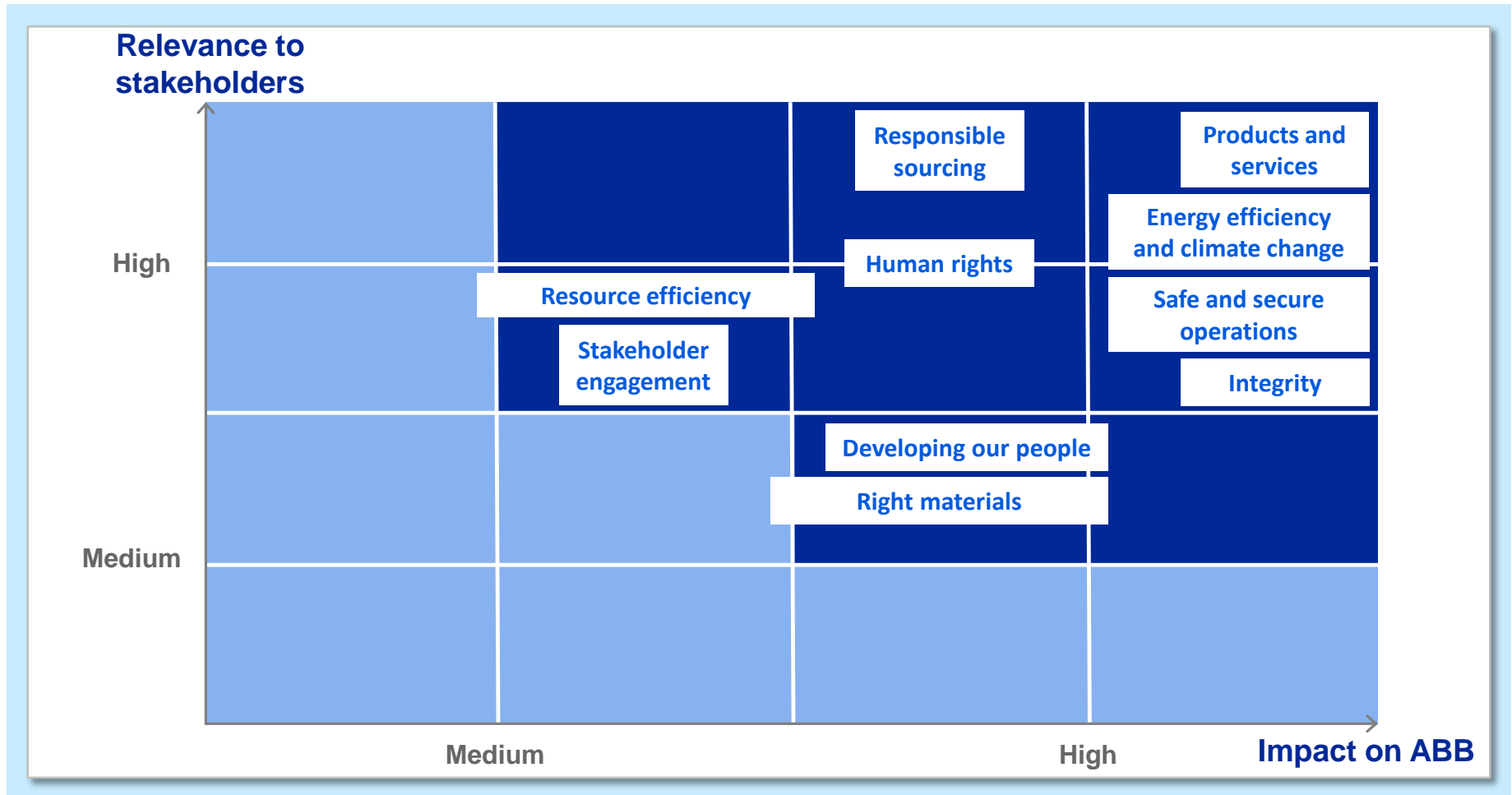
Group Sustainability objectives

Ambitions 2020, KPIs, and objectives

Objective	Ambition 2020	KPIs and targets 2020
1. Products and services	ABB is a world leading supplier of innovative, safe and resource efficient products, systems and services that help customers increase productivity while lowering environmental impact	20% revenue increase from EE-related products, systems & services Qualitative assessment of contribution of technology development towards environment, profit and society
2. Energy efficiency and climate change	ABB is an industry leader in energy efficiency, use of low-carbon fuels and renewable energy. We cut greenhouse gas emissions. ABB global energy use to reduce 20% by 2020	Energy intensity reduced by 20% per dollar sales
3. Safe and secure operations	Safety is a core value. All ABB operations have an excellent health, safety and security culture embedded in its day-to-day business, targeting zero incidents	Safety Observation Tour (SOT) Rate target 1.2 per employee, 180 000 run rate by 2020. Hazard reporting rate target 2 per employee, 300 000 run rate by 2020, >95% certified Health & Safety Management Systems.
4. Integrity	ABB recognized as one of the most ethical companies by customers, suppliers, investors and employees	100% of employees trained on integrity issues and processes Monitoring of reporting channels, investigations, remediation, & survey results; Proactive & regular communication on intranet
5. Human rights	Human rights issues are well understood and managed in all ABB operations along the value chain	Network of sustainability employees trained on Human Rights by 2016; 600 managers trained by end of 2016
6. People and society	ABB develops, attracts and retains dedicated and skilled people from diverse backgrounds, and engages with a wide range of stakeholders, including communities, to maximize benefits for our business and society	% of personal development actions implemented vs. plan ABB's community engagement tool fully implemented in all major ABB countries, and mandatory for all new projects, by end of 2015
7. Responsible sourcing	Social and environmental risks and impacts of sourcing practices are well understood and managed	Number of suppliers assessed during the year. Total risk assessed during the year. Total risk mitigated during the year.
8. Resource efficiency	Materials and water use is optimized. Facilities in very scarce, scarce and water stressed areas to reduce water use by 25% by 2020. We target zero waste	30 sites in very scarce, scarce and water stressed areas to cut absolute consumption by 25% Reduce waste sent for final disposal by 20%
9. Right materials	We aim for materials that are long-term sustainable. Hazardous substances are used in closed loops or not at all	Amount and type of hazardous substance used

Materiality matrix

Feedback from stakeholders



Agenda

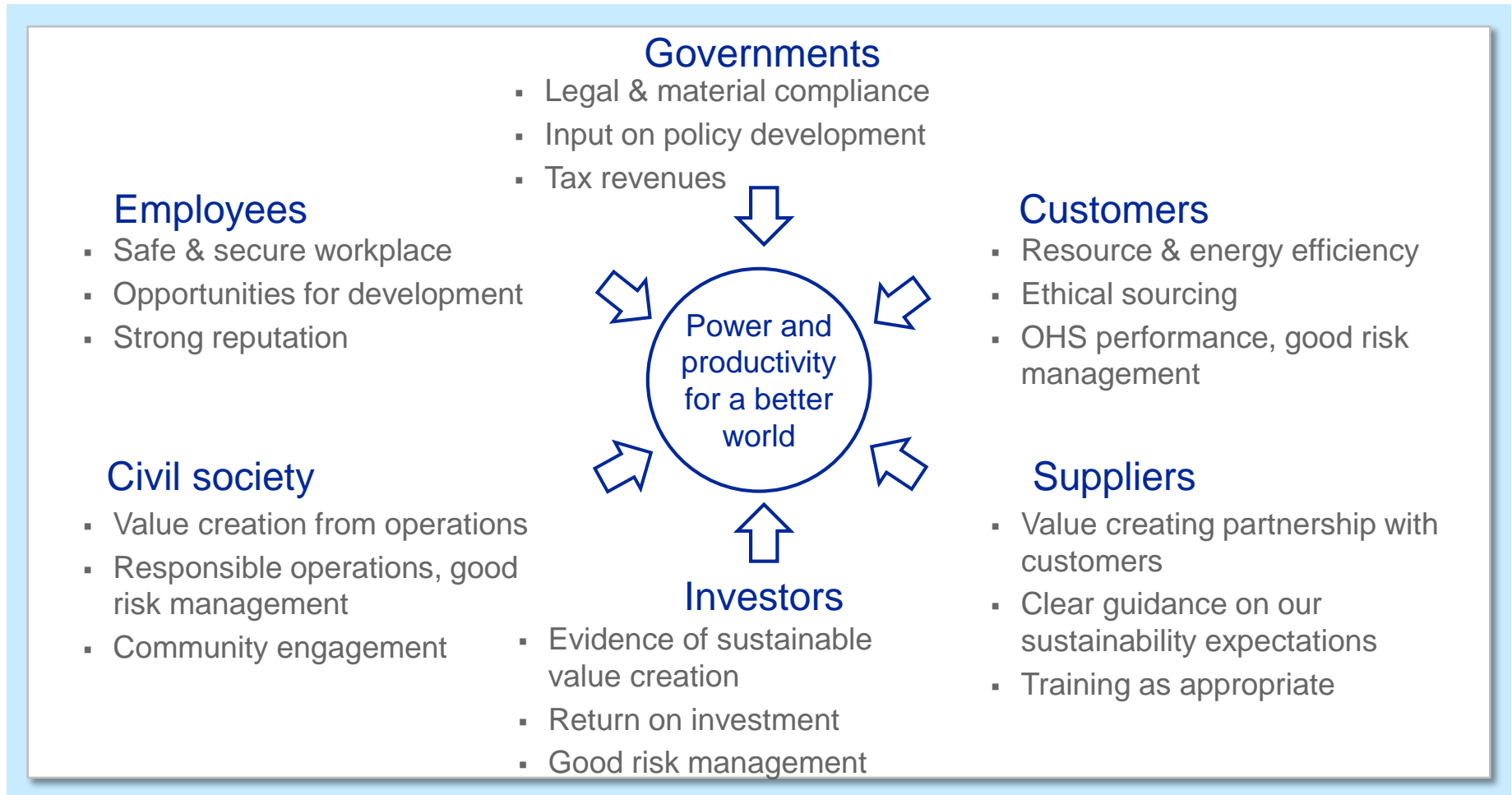
ABB: well positioned in attractive markets

Our approach and objectives

Creating value for stakeholders

Key stakeholders

Their sustainability expectations



Key stakeholders

How we create value

Employees

- Career opportunities and development
- Fair remuneration
- Inclusive and diverse environment

Civil society

- Wealth creation (jobs, services infrastructure etc.)
- Responsible behavior, partnerships
- Community engagement (\$9mn, 3,600 volunteer days)

Governments

- Compliance with laws and standards
- Tax returns (27% effective rate)
- Reliable business development , partnerships

Customers

- Reliable, resource-efficient power and automation systems, products and services that lower energy use, emissions, costs
- \$1.5bn R&D

Suppliers

- Business and investment (Approx. \$20bn for suppliers and contractors)
- Long-term relationships
- Information / improvement in standards

Investors

- Dividend (Approx. \$2bn)
- Transparency, predictability
- Good risk management



Environment

Key figures 2014

51%

of revenues

related to energy efficiency
and renewable energy



200+

energy efficiency

projects under way



445

TWh energy saved

by ABB drives

5.2 million

m³ of water

saved through reuse and recycling

1.6%

improvement

in energy intensity of
our operations

1.95 million

tons of greenhouse

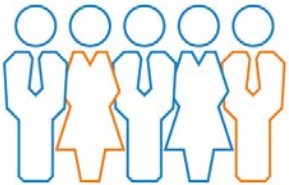
gas emissions

Society

Key figures 2014

2,500+

critical suppliers trained
since 2011



500

managers
trained on human rights



\$9

million
spent on community
projects

489,000

online applications
from 179 countries to join ABB

140,000

Employee visits
to events in first global safety
week

Governance

Key figures 2014

94,000+

employees

trained on anti-bribery
principles



375+

locations certified

to ISO 14001 and OHSAS 18001

46

language versions of

Code of Conduct

ETHISPHERE 2015
ANTI-CORRUPTION
PROGRAM
VERIFICATION
POWER & AUTOMATION TECHNOLOGIES



ETHISPHERE 2015
COMPLIANCE
LEADER
VERIFICATION
POWER & AUTOMATION TECHNOLOGIES



More information



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Sustainability

- Sustainability and Ethical Principles
- Sustainability strategy and objectives
- Group Sustainability Objectives 2020
- Sustainability objectives 2013
- 2014 Performance against targets
- Case studies for Sustainability Performance Report 2014
- Case studies for Sustainability Performance Report 2013
- + Environment
- + Corporate responsibility
- + Occupational health and safety
- Security and crisis management
- + Governance and integrity
- + Policies and reports
- Principal memberships
- Milestones
- The ABB Jürgen Dörmann foundation

Welcome to Sustainability at ABB

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

Sustainability considerations cover how we design and manufacture products, what we offer customers, how we engage suppliers, how we assess risks and opportunities, and how we behave in the communities where we operate and towards one another, while striving to ensure the health, safety and security of our employees, contractors and others affected by our activities.

Sustainability Priorities

→ Environment Policy and performance, covering sites, products and suppliers.	→ Corporate Responsibility Policies and performance covering human rights, community engagement and the supply chain.
→ Occupational health and safety Policy and performance, covering employees and contractors worldwide.	→ Security and Crisis Management Policies and programs to safeguard employees and assets worldwide.

Sustainability news

- 2015-03-20: ABB brings solar energy to rural Myanmar communities for the first time
- 2015-03-19: ABB's Sustainability Report: Committed to a better world
- 2015-03-11: From desert to sea, ABB helps remote villages get 'Access to Electricity'
- 2015-02-23: Solar Impulse launches Mission Control Center in Monaco

→ [ARCHIVE](#) → [Web feed](#)

Contact us

→ Sustainability Affairs

Links

- Sustainability Performance Report 2014 (pdf version)
- Sustainability Performance Report 2014 (interactive version)
- Industrial productivity
- Energy efficiency
- Wind power solution
- Solar Power Solutions
- Smart grids
- Water industry
- Supplying to ABB

www.abb.com/sustainability

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