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ABB publishes 2023 Integrated Report

Ad hoc Announcement pursuant to Art. 53 Listing Rules of SIX Swiss Exchange

- Report covers ABB's 2023 strategy, business, governance, financial and sustainability performance
- 76% reduction of scope 1 and 2 GHG emissions since 2019
- 74 megatons CO₂e emissions avoided throughout lifetime of products sold in 2023

ABB today published its Integrated Report, which is the company's primary report at Group level. The report integrates the most important material information about the company's strategy, business, governance as well as its financial and sustainability performance. In addition to the Integrated Report, ABB's 2023 Annual Reporting Suite published today includes its Financial Report, Corporate Governance Report, Compensation Report, Sustainability Report as well as the Form 20-F that was filed with the United States Securities and Exchange Commission.

ABB Chairman Peter Voser said: "By combining our technology leadership in electrification and automation with our decentralized ABB Way operating model we create holistic value for our stakeholders while enabling a more sustainable and resource-efficient future. In 2023, we took advantage of the positive market environment and strong secular demand drivers and our financial and sustainability achievements show that we are heading in the right direction."

ABB's value creation model provides a comprehensive summary of the holistic value the company generates for all stakeholders across its entire value chain, including customers, employees, investors and suppliers. It outlines the inputs that ABB needs to create value and illustrates how the Group transforms these inputs into outputs and outcomes through its decentralized operating model.

Commenting on ABB's achievements in 2023, CEO Björn Rosengren said: "2023 was a record year for ABB. We delivered strong performance and as a technology leader in electrification and automation, ABB continued to play a key role in accelerating the energy transition for a net-zero future. Our solutions helped to optimize, electrify and decarbonize industry, buildings, power and transport – sectors that together account for the lion's share of global energy-related carbon emissions. By doing this, we made the ways we move, produce, work and live more sustainable and we continued to make good progress

towards achieving our sustainability targets. I am proud of the ABB team for delivering such good results and creating value for all our stakeholders.”

Good progress towards sustainability goals

As part of ABB’s efforts to enable a low-carbon society, the company submitted updated CO₂e emissions reduction targets aligned with the Net-Zero Standard of the Science-Based Targets initiative (SBTi) for validation. These targets include ABB’s scope 1 and 2 emissions, which it aims to reduce by 80 percent by 2030 and 100 percent by 2050, compared to a 2019 baseline, as well as its scope 3 emissions, covering the rest of its value chain, which it aims to cut by 25 percent by 2030 and 90 percent by 2050, compared to a 2022 baseline.

In 2023, ABB achieved a reduction of 76 percent in its scope 1 and 2 emissions compared to 2019 and scope 3 emissions stayed flat compared to 2022, based on measured energy loss (representative scenario). When calculating based on energy input (strict scenario) the company reports an 11 percent increase in scope 3 emissions compared to 2022.

The company also reduced its energy consumption by 21 percent compared to 2019. At the end of 2023, 64 percent of ABB’s energy consumption and 94 percent of its electricity came from renewable sources.

In 2023, the products ABB sold to customers will avoid 74 megatons of emissions over their lifetime. This contributes to the company’s ambition to support customers in avoiding 600 megatons of GHG emissions from 2022 to 2030, based on all the products the company expects to sell over that period.

As part of the preserving resources pillar of its Sustainability Agenda, ABB further reduced the amount of waste it sends to landfill to 6.3 percent in 2023, a 40 percent reduction since 2019, while recycling 86 percent of its waste. By the end of 2023, ABB had also assessed 31 percent of its product portfolio as part of its goal of covering at least 80 percent of its portfolio of products and solutions with its Circularity Approach by 2030.

Finally, in line with its goal of promoting social progress, in 2023, ABB reduced its rate of lost time caused by injuries (LTIFR) by 9 percent to industry-leading levels. And it increased the number of women in senior management positions to 21 percent, up from 17.8 percent in 2022. The company also expanded its programs for community engagement to cover education, emergency and disaster relief, community empowerment, and environment and conservation, and supported more than 500 community projects and charities in 2023.

ABB’s full annual reporting suite including the Integrated Report and Sustainability Report can be accessed and downloaded here: go.abb/reports

ABB is a technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. The company’s solutions connect engineering know-how and software to optimize how things are manufactured, moved, powered and operated. Building on over 140 years of excellence, ABB’s more than 105,000 employees are committed to driving innovations that accelerate industrial transformation. www.abb.com

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