INTEGRATED REPORT 2024

ENGINEERED TO OUTRUN

ENGINEERED TO OUTRUN

ABB's new brand positioning **"We help industries outrun – leaner and cleaner"** underpins the next phase of the company's development as a leader in electrification and automation following its successful transformation period. It articulates what ABB wants to be known for in the minds of its customers.

The new brand positioning centers around the word **"Outrun"** and its meaning consists of two parts: Keeping ABB's partners running consistently at high performance and at the same time helping them run more productively, efficiently and sustainably so they can outperform.

"Leaner" stands for ABB's global leadership role in automation, improving the productivity and efficiency of every industry's critical day-to-day operations.

"Cleaner" represents the company's leadership in electrification, decarbonizing the world's most essential industries.

ABB's new tagline is **'Engineered to Outrun'**. The new brand positioning is in line with ABB's purpose of enabling a more sustainable and resource-efficient future with its technology leadership in electrification and automation.

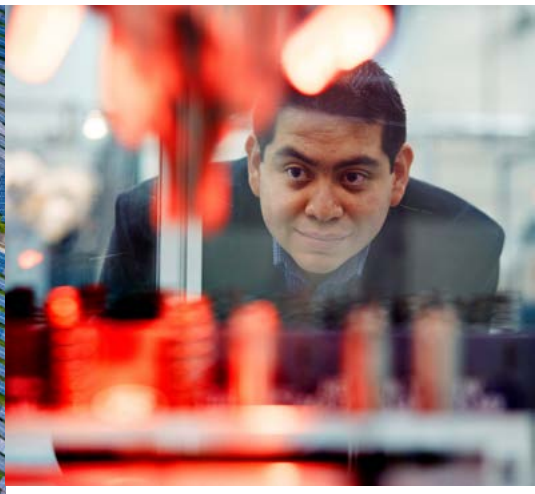
ABOUT ABB

ABB is a global technology leader in electrification and automation, enabling a more sustainable and resource-efficient future.
By connecting its engineering and digitalization expertise, ABB helps industries run at high performance, while becoming more efficient, productive and sustainable so they outperform.
At ABB, we call this 'Engineered to Outrun'.
Our company has over 140 years of history and around 110,000 employees worldwide.

OUR PURPOSE:

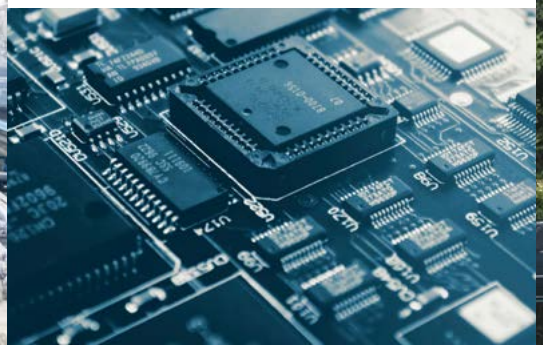
We enable a more sustainable and resource-efficient future with our technology leadership in electrification and automation

Addressing the world's energy challenges



Creating success

Transforming industries

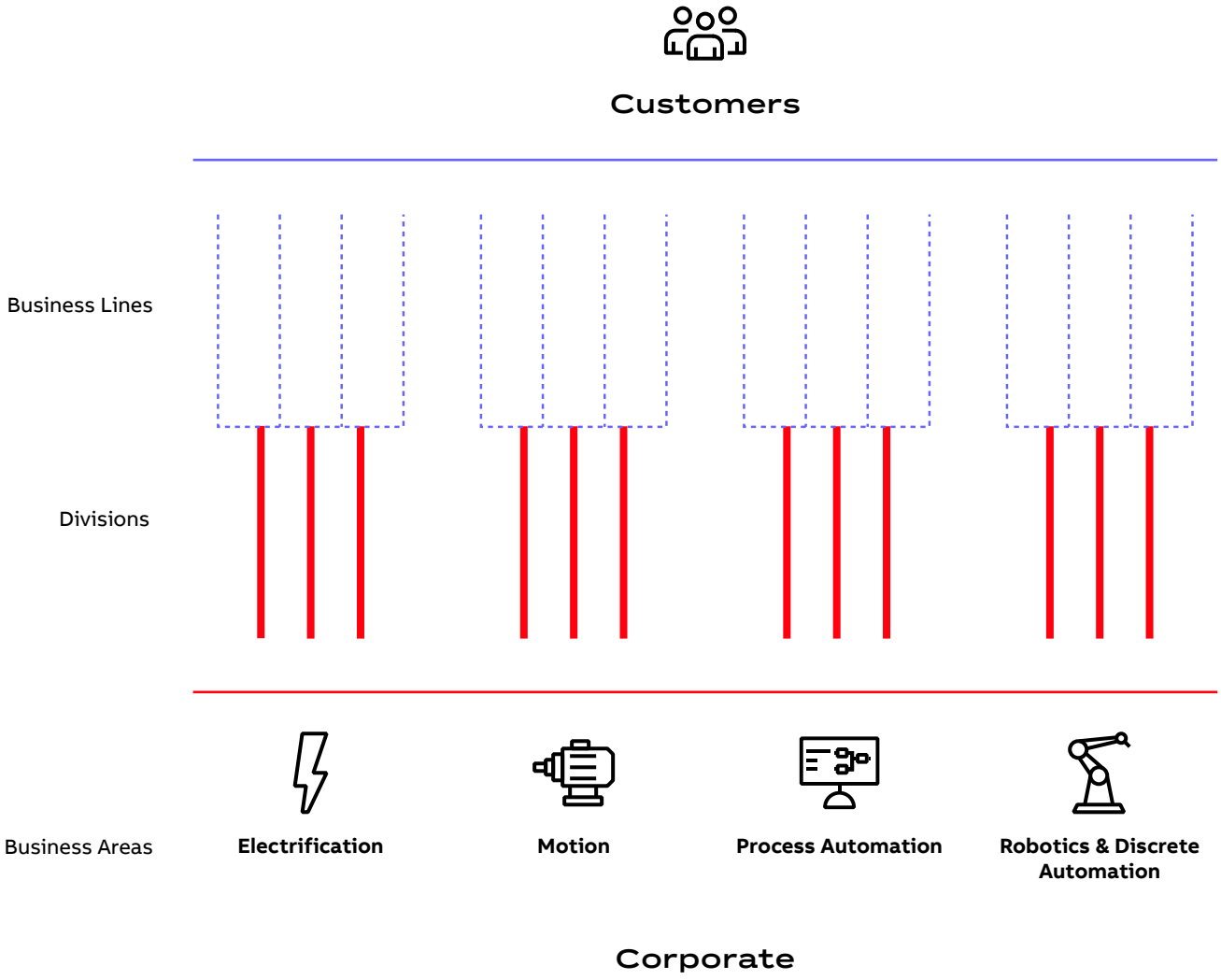


Leading with technology

Embedding sustainability

OUR BUSINESS AREAS

Our purpose is why we are in business. It guides the Group's strategic direction and sits at the heart of our decentralized operating model, the ABB Way. Each of our four business areas – Electrification, Motion, Process Automation and Robotics & Discrete Automation – governs their respective divisions, ensuring that we collectively deliver on our purpose through our technology leadership in electrification and automation. Our business areas pursue opportunities to collaborate, driving innovation and developing common solutions to best serve our customers. At the same time, it is our divisions – 19 in total – that are closest to our customers; they hence have full ownership and accountability for their strategies, performance and resources in order to provide the best possible service to our customers. They drive the success of ABB in their daily business.



ELECTRIFICATION

ABB's Electrification business area is a global technology leader enabling the efficient and reliable use of electricity from source to socket. We collaborate with our customers and partners to solve the world's greatest challenges in electrical distribution and energy management. Our portfolio encompasses digital and connected innovations for low- and medium-voltage, including electric vehicle (EV) infrastructure, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control. We also offer services to improve reliability, availability, predictability and sustainability of electrical systems.

Revenues

$15.4 billion

Employees

~52,000

Global market position

No. 3

Divisions

- Distribution Solutions
- Smart Power
- Smart Buildings
- Installation Products
- Service

Revenues

$7.8 billion

Employees

~22,000

Global market position

No. 1

Divisions

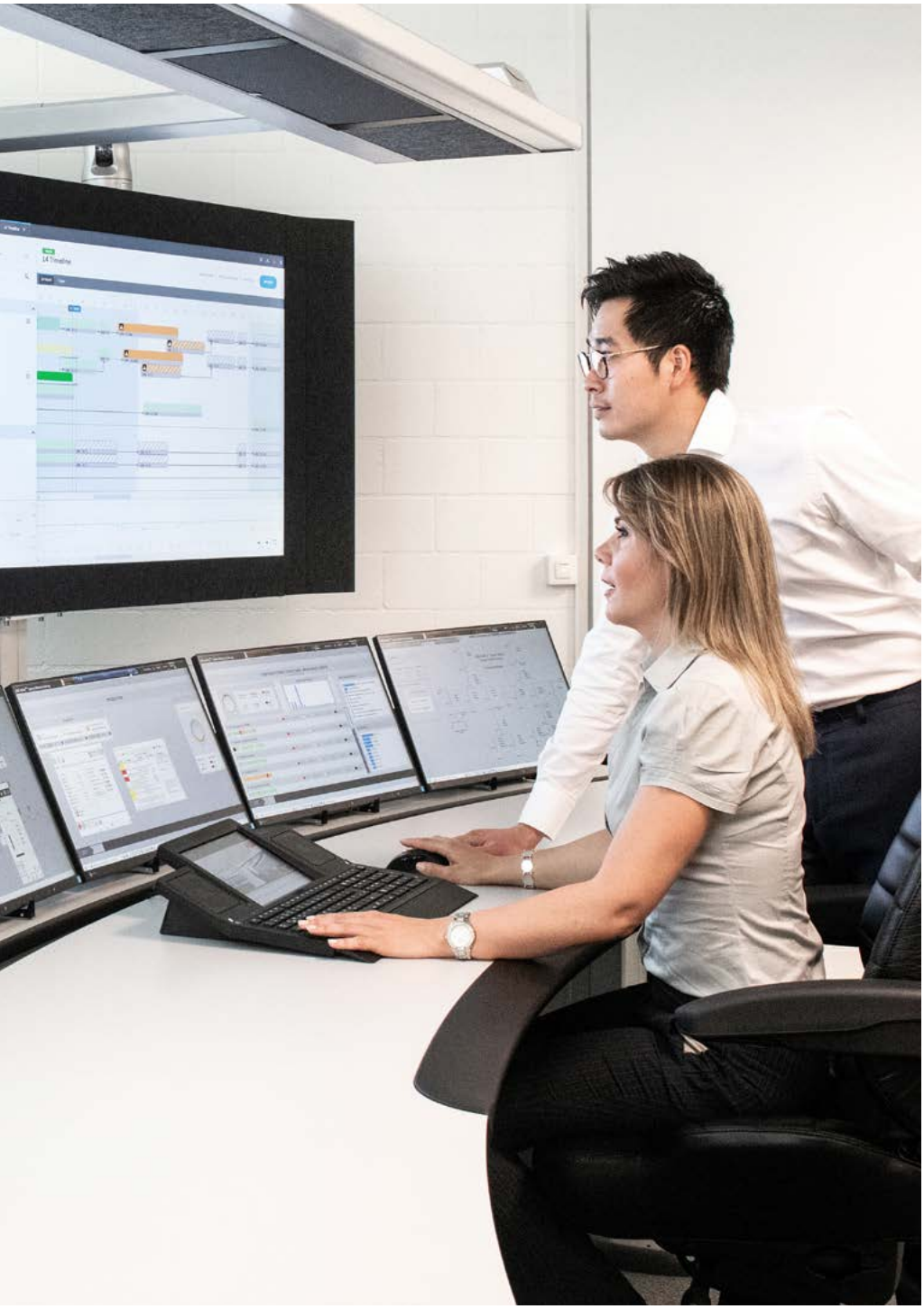
- Drive Products
- System Drives
- Motion Services
- NEMA Motors
- IEC LV Motors
- Large Motors & Generators
- Traction

MOTION

ABB's Motion business area, the largest supplier of drives and motors globally, is at the core of accelerating a more productive and sustainable future. We offer customers the complete range of electrical motors, drives, generators, and services, as well as integrated digital powertrain solutions. Therefore, we are able to provide our customers with energy efficient, decarbonizing and circular solutions to empower a low-carbon future. We serve a wide range of automation applications in transportation, infrastructure and the discrete and process industries. Through our domain expertise and technology our customers achieve better performance, safety and reliability.

PROCESS AUTOMATION

ABB's Process Automation business area enables customers to operate some of the world's largest and most complex industrial infrastructures that address a wide range of essential needs – from supplying energy, water and materials, to producing goods and transporting them to market. We offer a broad range of automation, electrification and digital solutions for process, hybrid and maritime industries, including industry-specific integrated control and software as well as measurement and analytics solutions and services.



Revenues

$6.8 billion

Employees

~22,000

Global market position

No. 2

Divisions

- Energy Industries
- Process Industries
- Marine & Ports
- Measurement & Analytics

ROBOTICS & DISCRETE AUTOMATION

ABB's Robotics & Discrete Automation business area enables companies to outperform and become more resilient, flexible and efficient through our value-added solutions in robotics as well as machine and factory automation. With our integrated automation solutions, our application expertise across a wide scope of industries and our global presence, we deliver tangible customer value. Our focus on innovation includes extensive work in artificial intelligence, as well as an ecosystem of digital partnerships and the expansion of our production and research capabilities.

E-MOBILITY

ABB's E-mobility division, formerly part of the Electrification business area, has been an independent business and separate operating segment since January 2023. It is reported in "Corporate and Other". ABB E-mobility is a global leader in electric vehicle charging solutions, with the highest uptime and largest installed base of Direct Current (DC) fast chargers in the market.

Revenues

$3.2 billion

Employees

~11,000

Global market position

No. 2

Divisions

- Robotics
- Machine Automation

KEY FIGURES AT A GLANCE

KEY FIGURES

$ in millions, unless otherwise stated	FY 2024	FY 2023	Change	Comparable[1]
Financial				
Orders	33,690	33,818	0%	1%
Order backlog (end December)	21,221	21,567	-2%	4%
Revenues	32,850	32,235	2%	3%
Income from operations	5,071	4,871	4%	
Operational EBITA[1]	5,968	5,427	10%	11%[2]
as % of operational revenues[1]	18.1%	16.9%	+1.2 pts	
Income from continuing operations, net of tax	3,955	3,848	3%	
Net income attributable to ABB	3,935	3,745	5%	
Basic earnings per share ($)	2.13	2.02	6%[3]	
Dividend per share (in CHF)	0.90[4]	0.87	3%	
Cash flow from operating activities	4,675	4,290	9%	
Net debt[1] (end December)	1,285	1,991	-35%	
Environmental[5,6]				
Energy consumption (GWh)	1,292	1,297	-0.4%	
Renewable electricity (%)	95	94	+1.0 pts	
Own operations emissions scope 1 and 2 (kilotons CO_2e)[7]	138	151	-9%	
Value chain emissions scope 3 (kilotons CO_2e)[8]	394,952	447,426	-12%	
Total waste sent to landfill (kilotons)	9.3	10.1	-8%	
Social				
Total number of employees (FTE)	109,900	107,900	2%	
Women in workforce (%)[9]	27.8	27.7	0.1 pts	
Women in senior management positions[10] (%)[9]	21.3	21.0	0.3 pts	
Community spending	9	11.5	-2.5	

1. For alternative performance measures, see chapter Alternative performance measures.
2. Constant currency (not adjusted for portfolio changes).
3. EPS growth rates are computed using unrounded amounts.
4. Proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting on March 27, 2025, in Zurich, Switzerland.
5. Figures are adjusted for portfolio changes.
6. When reporting figures in tons, kilotons or megatons we refer to metric tons, kilotons or megatons.
7. Scope 2 refers to market-based values.
8. In 2023, we published a "representative scenario" and a "strict scenario". Going forward, we report the strict scenario as basis for our scope 3 emissions, taking a more conservative approach based on full energy input for certain products.
9. Percentages calculated using headcount data.
10. At ABB, senior managers are defined as employees in Hay grades 1–7, including division presidents.

ABB SUSTAINABILITY RATINGS 2024

CDP Climate	CDP Water	CDP Supplier Engagement[1]	EcoVadis	ISS ESG Corporate	MSCI ESG[2]	S&P Global CSA score	Sustainalytics ESG Risk[3]
A	A-	A	Gold 75/100	Prime status B	AAA	64/100	15.2

1. The 2024 Supplier Engagement score will be available in March 2025.
2. The use by ABB of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of ABB by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
3.

→ Find out more about our sustainability ratings on our website ABB ESG ratings.

ABB IN 2024

ABB IN NUMBERS

140+
years history

$32.9 bn
Revenues

$33.7 bn
Order intake

18.1%
Operational EBITA margin

$1.5 bn
R&D investment

$3.9 bn
Net income

>170
manufacturing sites

78%
Reduction of scope 1 and 2 GHG emissions since 2019

21.3%
Women in senior management positions

IMPORTANT MILESTONES IN 2024

- ABB announced the approval of its **Net Zero** emissions reduction targets by the **Science-Based Targets initiative (SBTi)**: 80 percent reduction of absolute scope 1 and scope 2 (operational) GHG emissions from 2019 to 2030, and 100 percent by 2050, both in line with the 1.5°C pathway; 25 percent reduction of scope 3 (value chain) GHG emissions from 2022 to 2030, in line with the well below 2°C pathway, and 90 percent by 2050, in line with the 1.5°C pathway.
- **ABB opens new $100 million campus** in Wisconsin, US, to support future growth in ABB's largest market with production of electric drive technology used in a variety of industries.
- **Share buybacks:** On April 1, ABB launched its new share buyback program of up to $1 billion, 16,715,684 shares were bought under the plan which ended in January 2025 – for a total amount of approximately $0.9 billion.
- On August 1, Morten Wierod took over as the **new CEO of ABB**. Giampiero Frisio stepped into his role as the new President of the Electrification Business Area and Brandon Spencer as the new President of the Motion Business Area and on November 1, Mathias Gaertner assumed the role of General Counsel and Company Secretary.
- On March 21, the Annual General Meeting elected **two new Board members**, Johan Forssell and Mats Rahmström. They replace Jacob Wallenberg and Gunnar Brock who decided not to stand for reelection.
- ABB filed a Form 15F to **voluntarily deregister and suspend SEC reporting** on June 10, 2024. The deregistration became effective in September 2024. The company will continue to comply with its financial reporting and other obligations pursuant to applicable stock exchange listing rules in Switzerland and Sweden.

ABOUT THIS REPORT

The ABB Integrated Report describes how we create value under the ABB Way – our decentralized operating model. It provides a comprehensive view of our business strategy, governance, performance, and value creation in relation to different forms of inputs used and outcomes created through the activities of our divisions and business areas, united under the ABB brand.

The report integrates the most important information about our financial and sustainability strategy, targets and performance and is mainly aimed at our shareholders and investment community, but also informs other stakeholders like customers, employees, partners, governments, civil society and suppliers.

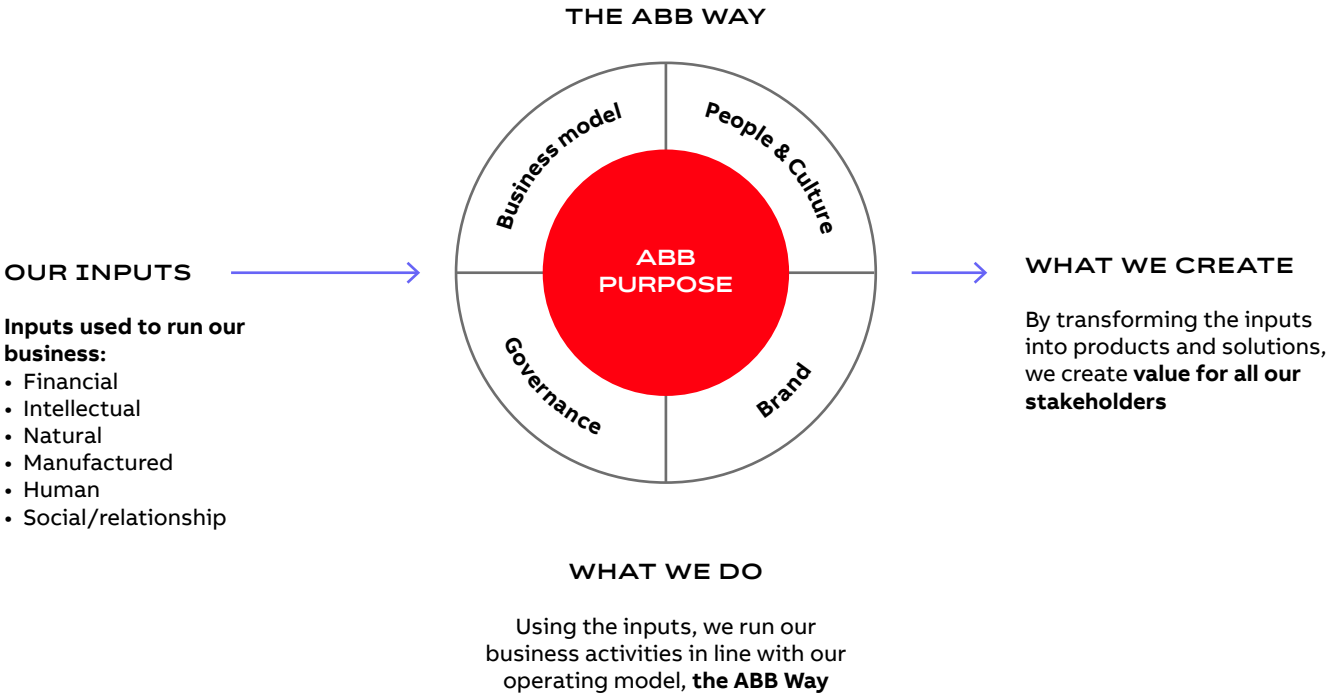
→ Please refer to "Supplemental Reconciliations and Definitions" in ABB's Q4 2024 Financial Information.

As a global company with stock exchange listings in Switzerland and Sweden, we adhere to internationally recognized standards and frameworks. In addition to performance measures prepared in accordance with US GAAP (Generally Accepted Accounting Principles), we use alternative performance measures deemed useful in evaluating ABB's operating results.

The Integrated Report 2024 is published as part of our annual reporting suite and is available in English and German. Only the original English version is binding. For environmental reasons, only a limited number of copies of the Integrated Report are printed. All other reports are published digitally.

The reporting period and scope of the data covers our operations worldwide and provides an overview of financial and sustainability-linked performance for the full year 2024 and reflects the status as of December 31, 2024.

"We, ABB's senior management, and the Board of Directors, take responsibility for the accuracy and integrity of the information disclosed within our Integrated Report 2024, which addresses matters that have or may have a significant effect on how we create and share value. We believe this report is aligned in all material aspects with the recommendations and standards issued by the International Integrated Reporting Framework (now IFRS Foundation)."



Our Value Creation Model determines the structure of our report

Our value creation model outlines how we create value by delivering on our purpose. In this report, it also serves as a guide for the structure. The value creation model outlines how we draw on inputs and, through our decentralized operating model, the ABB Way, create sustainable value in the short-, mid- and long-term by transforming them into outputs and outcomes: delivering leading financial performance, creating world-class technology, enabling a low-carbon society, preserving resources and promoting social progress, underpinned by a culture of integrity and transparency along the value chain.

The illustration of our Value Creation Model on page 34 and 35 is interactive and by clicking on the different icons and sections you will be led to the respective section in the report to learn more about our value creation.

VALUE CREATION MODEL NAVIGATION

Throughout the report you will find this icon, indicating in which section of the Value Creation Model you are; by clicking on it, you will return to the main illustration on pages 34 and 35.

ABB ANNUAL REPORTING SUITE 2024

Our Annual Reporting Suite for the full year 2024 is filed with the SIX Swiss Exchange in Zurich, Switzerland and the NASDAQ OMX Stockholm Exchange in Sweden and can be viewed on our website. It consists of the following reports, with the Integrated Report being a condensed summary:

Integrated Report

English (PDF)

German (PDF)

Financial Report

English (PDF)

Compensation Report

English (PDF)

Corporate Governance Report

English (PDF)

Sustainability Statement

English (PDF)

ESEF version of ABB Annual Reporting Suite

ESEF version (XHTML)

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INTRODUCTION

CHAIRMAN'S LETTER

In 2024, we began an important chapter at ABB, with the appointment of Morten Wierod as CEO. On the strength of our decentralized ABB Way operating model, we were able to make further progress across several of our key priorities. Our teams remain focused on driving profitable growth while continuing to strengthen accountability further in the divisions. Sustainability continues to be at the center of our business and customer offering. All in all, we are making sure that ABB continues to be well positioned in the long term.

Dear shareholders,
The year 2024 was marked by change at ABB and beyond. Our world faced yet more disruption – both positive and challenging. Innovation has been speeding up, driven in large parts by generative artificial intelligence (AI). Economic and geopolitical volatility, meanwhile, was on the increase, and global temperatures continued to set new record highs, serving as a powerful reminder that climate change is an increasingly urgent challenge.

Against that backdrop, ABB has been thriving. As industries increasingly need to do more with less, we have supported them to become more efficient, productive and sustainable, helping them outrun – leaner and cleaner.

After Morten Wierod succeeded Björn Rosengren as our CEO on August 1, our business continued to deliver strong financial performance. Key enablers of our success are our expertise in electrification and automation. But also, our short and resilient supply chains and our decentralized operating model, the ABB Way, which empowers our businesses to make decisions close to the customers they serve. These strengths enable us to maintain output in challenging situations and respond at speed to changing circumstances and customer needs.

Tackling climate change, our leading electrification and automation technologies continued to reduce energy consumption and emissions in the largest emitting sectors, including power, industry, transport, and buildings and infrastructure. A good example is our role in reducing the energy consumption of data centers, which are becoming even bigger consumers of power due to the vast energy needs of AI applications. By 2026, data centers globally are expected to consume the same amount of electricity as Japan (IEA), which makes it essential that we help them to become leaner and cleaner and accelerate the shift to sustainable energy sources.

We can look back at a strong performance for ABB as comparable orders, revenues and profits continued to grow, despite challenging markets for some of our businesses. Thanks to this, the Board of Directors will be proposing to the Annual General Meeting a dividend of CHF 0.90 per share, in line with our policy of paying a rising, sustainable dividend per share over time.

We are delivering record levels of profitability compared to just a few years ago and will continue to focus on margins while driving profitable growth and further embedding the ABB Way into our organization. I am confident that by putting a strong focus on these areas, ABB has the potential to become an even better performing company in the future.

The success and growth of ABB have always depended on our ability to innovate. Research and development (R&D) plays an important role in ensuring we remain relevant for customers and we have increased our R&D spend by about 40 percent since 2020 excluding the impact from divisional exits. During 2024, we made important strides in incorporating generative AI into our offerings and business processes. These solutions will help us improve energy and resource efficiency and productivity. Through innovation, we keep improving the operational effectiveness of ABB and our customers and accelerate decarbonization across value chains.

"The Board of Directors and I are absolutely confident in the ability of ABB's management team to continue to lead this great company and deliver superior value for all of our stakeholders."

PETER VOSER | CHAIRMAN OF THE BOARD OF DIRECTORS

Acquisitions are another key driver of growth. We are always on the lookout to invest in businesses that add value and companies that develop breakthrough technologies. In 2024, we extended our market and technology leadership by signing agreements to acquire established businesses, such as the power electronics business of Gamesa Electric in Spain, Siemens' Wiring Accessories business in China, as well as smaller companies specializing in AI-based applications for electrification and automation.

Sustainability continues to be a key focus of our business. In 2024, our scope 1, 2 and 3 emissions reduction targets for 2030 and 2050 were validated by the Science Based Targets initiative (SBTi). The SBTi validation confirms that our approach is science-based in accordance with the Paris Agreement on climate change.

Last year also saw changes to our Board of Directors as Jacob Wallenberg decided to step down from his position after being on the board for almost 25 years. In addition, Gunnar Brock decided not to stand for reelection. I am very proud that with Johan Forssell and Mats Rahmström we have welcomed two new members with a particular focus on industrial companies and decentralized operating models who complement the competencies of our board perfectly.

And our board continues to evolve as we suggest Claudia Nemat for election at our March 2025 AGM. As a member of Deutsche Telekom's management team she is responsible for technology and innovation, covering crucial issues like cyber security and – of course – artificial intelligence. At the same time, Lars Förberg has decided not to stand for re-election and I would like to thank him for his outstanding contribution to ABB's successful transformation over the past years.

The Board of Directors and I are absolutely confident in the ability of ABB's management team to continue to lead this great company and deliver superior value for all of our stakeholders. With the ABB Way, we have the right operating model in place. Our businesses are aligned with our purpose of enabling a more sustainable and resource-efficient future with our leading electrification and automation solutions. And most important of all, we have around 110,000 talented and motivated employees who have consistently delivered strong results.

On behalf of the Board of Directors, I would like to thank our people for another year of excellent performance and to say a special thanks to Björn for his outstanding leadership of our company and to Morten for a strong start. And of course, I want to thank you, our shareholders, for your trust and support.

Best regards,

PETER VOSER
Chairman of the Board of Directors

CEO Q&A

Having assumed the role of CEO in August, Morten Wierod explains how he intends to lead ABB forward, following its transformation into a better performing, more transparent and agile company.

1. Management estimates.

Morten, what were the highlights of 2024? How did ABB perform?
This year we made good progress on many fronts. On the performance side, our financial results continued to improve, despite the uncertain economic and geopolitical environment in which we are operating. This shows that the ABB Way is the right operating model for this company. 2024 was a new record year for us in many ways as we improved on most of our financial headlines. The market for robotics continued to be challenging but given the aging global labor force and the trend for reshoring and nearshoring, we are confident in the longer-term prospects of this business.

On M&A we ramped up our activities significantly, although not all closed yet, announcing eight acquisitions with annual revenues over $500 million. We also launched several groundbreaking innovations. One is a next-generation robotics platform which increases business productivity and flexibility through faster, more precise and more autonomous automation; another is a new concept to improve the energy efficiency of medium-voltage motors, which account for 10 percent of the world's electricity consumption.

I am particularly proud of the improvement in our employee engagement score, which rose for the sixth consecutive year to 78 percent, making ABB a best-in-class company.

You succeeded Björn Rosengren as CEO on August 1. How were your first months in the new role? Are you planning to make any changes?
My first five months as CEO have been energizing. ABB is in good shape and I have the privilege to partner with a great leadership team, including the new Electrification and Motion Presidents. What's made the transition easier is that I have been deeply involved in ABB's transformation from the start, having led the implementation of our successful decentralized operating model, ABB Way, in the two largest of our four business areas.

In terms of where we go from here, the ABB Way is here to stay. That means we will maintain consistency in our ways of working, guided by our purpose. We will continue to focus on accountability, transparency and speed to build a high-performance, high-integrity collaborative culture and to actively manage our portfolio. Given my experience at ABB, I believe I am well positioned to challenge and guide the business areas and divisions to reach higher and deliver even better profitability and growth – both organic and acquired – in line with our targets.

We have also launched a new global brand positioning for ABB to increase customers' understanding of what ABB does and how we create superior value for our customers. Increasing familiarity with what ABB does represents a significant commercial opportunity for us and should also help ABB attract top talent.

Driving profitable growth is a priority for you, how do you plan to achieve that? Are you focusing on ramping up M&A?
Following our transformation, we are well positioned to capitalize on the trend towards electrification and on the growing demand for automation as companies seek to improve their productivity and flexibility. We ended the year with about 60 percent of our revenues on a growth mandate, which early in 2025 changed to 70 percent in growth mode. Our management compensation and strategic priorities have been adjusted accordingly.

We will drive organic growth by increasing investments in R&D and capitalizing on our technology leadership, which is based on best-in-class hardware operated with embedded software and control functions. Approximately 60 percent[1] of our products and services are digitally enabled and over half[1] of our R&D professionals are dedicated to software. At the same time artificial intelligence (AI) is becoming an increasingly important driver of how we create value for the industries we serve, and we are committed to responsible development and use.

When it comes to M&A, we have been steadily building up a strong pipeline of acquisition targets. With the deals announced already we should be within our average target range of adding 1 to 2 percent of revenues via acquisitions.

What are your capital allocation priorities?
Our goal is profitable growth. That means our first priority is to fund organic growth through investments in R&D and production capacity. Beyond that, our policy is to pay a rising, sustainable dividend over time. With our remaining free cash flow, we intend to increase our M&A activities. And as we announced a new, larger program of up to $1.5 billion for 2025, share buybacks will remain on our agenda, but ultimately, the utilization level of buyback programs depends on how much we spend on M&A.

What is your approach to investing in R&D and technology? What about venture capital investments?
R&D investments are driven by the divisions to foster innovation that creates the most meaningful value for our customers. We are committed to keep our R&D investments to between 4.5 and 5 percent of our revenues.

Our technology pipeline speaks for itself. This year, we introduced our next generation of SF_6-free switchgear solutions for applications up to 24 kV. These will help our customers comply with regulations in the European Union and California, which are banning SF_6 gas, a potent greenhouse gas, in new electrical equipment up to 24 kV.

On the venture side, we continue to acquire minority stakes in promising start-ups, having invested in more than 30 companies in the past five years. Start-ups are an important part of our R&D ecosystem, especially when it comes to specialized software and AI.

"We will continue to focus on accountability, transparency and speed to build a high-performance, high-integrity collaborative culture and to actively manage our portfolio."

MORTEN WIEROD | CHIEF EXECUTIVE OFFICER

ABB has delivered another record margin of 18.1 percent, already near the top of your target range. Do you think it's time to raise your targets?
We raised our margin target quite recently, in November 2023, to an Operational EBITA margin in the range of 16–19 percent. We are close to the top of that range, but we are not there yet. Once we have achieved this level, we will determine what the next steps are for ABB.

I believe the best is yet to come for ABB. We are starting 2025 with some 30 percent of our divisions still having a "profitability mandate", which means they can improve their margins further. Some divisions have achieved very high levels of profitability supported by a strong market environment and we want to ensure these levels are sustainable throughout the cycle. With our new ways of working, we are a more agile and resilient company.

You said that the ABB Way operating model is here to stay. How can it create even more value for ABB?
I believe we can build further on the ABB Way to support both growth and margin. At the moment, accountability is with our divisions, which are the highest operating level of the company, but we intend to move it even deeper, to the level of business lines and product groups.
I have seen the success of embedding the ABB Way even further into our divisions in my previous role in Electrification.

You mentioned the new brand positioning to improve understanding of what ABB does. What is that about?
Our new brand positioning underpins the next phase of ABB's development as a leader in electrification and automation following our successful transformation period. It articulates what ABB wants to be known for in the minds of our customers and focuses on what we have learned are their main business needs and where we at ABB can provide superior value, which is helping industries become leaner and cleaner, or as we say – helping them "outrun".

What kind of a leader are you?
I believe in keeping things simple and efficient, speaking up and taking ownership. My approach is to empower people with accountability and trust, and I expect transparency and ownership in return. What counts for me is a winning mindset and approaching business as a team sport. We want to win but work should also be fun. My motto is: even better, together.

How are you doing on sustainability?
We are making good progress towards our sustainability targets and have embedded sustainability even further into our divisions. Versus our 2019 baseline, we cut scope 1 & 2 greenhouse gas emissions by 78 percent, and our scope 3 emissions were reduced by 8 percent compared to the 2022 baseline, putting us well on track to achieve our targets. We also helped our customers avoid 66 megatons of emissions throughout the lifecycle of our products sold in 2024 with our energy and resource efficient technologies as compared to alternative solutions.

Our emissions reduction targets for 2030 and 2050 were validated by the Science Based Targets initiative (SBTi), affirming that they are in accordance with the Paris Agreement on climate change. Our focus now is on achieving these targets and helping our customers on their journeys. The divisions are in the lead on implementing the changes needed to make these a reality.

We also improved gender diversity, increasing the number of women in senior management positions to 21.3 percent, and focusing on safety; our lost-time injury frequency rate stands at 0.15, down from our 2019 baseline of 0.24.

How is the turnaround of the E-mobility business going? Is an IPO still planned?
The turnaround of ABB E-mobility is progressing. It now has a focused and modular portfolio and launched its flagship A400 charger during the year. While an impact on order numbers is not yet visible, it has seen some very good customer feedback so far. We will reassess the timing for a potential IPO at a later stage, as the business and the market need to be fit for such a move.

Final question: after five months as CEO, how are you finding the job?
I'm enjoying it immensely. I have been doing a lot of travelling, especially to meet customers and colleagues from parts of the business that I was less familiar with when I took over the role. I have also met many investors and other stakeholders. It's been a very positive experience – ABB is well-regarded as a technology leader and partner that is well positioned to continue benefiting from key global megatrends.

I want to thank everyone at ABB for the strong support that I have received since I became CEO, especially my colleagues on the Executive Committee. We have a highly experienced, excellent team running the company, as well as around 110,000 talented people who have delivered another year of excellent performance.

ABB EQUITY STORY

ABB is well-positioned in a changing world: Our global market-leading positions in electrification and automation strategically positions us to capitalize on the long-term megatrends characterized by the energy transition towards electricity and integration of new energy sources, demographic shifts and the need for an increasingly flexible and efficient manufacturing set-up.

Future-proof

ABB purpose and customer offering aligned with secular trends

More electricity
Electricity demand growing ~9× faster than total energy demand in 2023–2030, resulting in ~70% higher average annual investment into electricity networks in 2024–2030 (vs 2016–2023)[1]

Higher energy efficiency
~45% of the world's electricity is converted into motion by electric motors yet only ~23% of the world's electric motors are optimized through the control of drives

New energy sources
Share of low-carbon sources in global energy mix to increase +50% – points from ~20% today to ~70% in 2050[1]

Shrinking labor force
Global number of working age people (15 to 64 years) per retiree (65 years or over) to fall by ~24% in 2023–2035[2]

Our Purpose

We enable a more sustainable and resource-efficient future with our technology leadership in electrification and automation

Our offering

Supports customers to:

- Reduce waste and increase circularity
- Reduce carbon intensity
- Increase labor productivity
- Increase energy efficiency
- Increase flexibility
- Reduce footprint
- Reduce downtime
- Increase safety and improve working environment

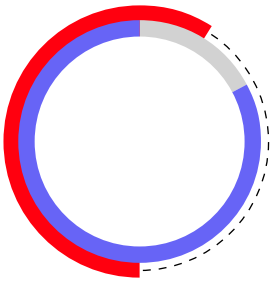
1. IEA World Energy Outlook 2024, Announced Pledges Scenario
2. United Nations World Population Prospects 2024

VALUE FROM SOFTWARE

Digital content in our offering to support gross margin and industry leadership in technology

Embedded software enables differentiation

Continue to develop Industrial Software and Digital services organically and make bolt-on acquisitions:
- Invest to create synergies with our offering
- Return on investment
- Growth



Software or digitally enabled products and services

83% Products and solutions

17% Services

around
60%
of software, products and services are digitally enabled[1]

1. Management estimates based on FY 2023 orders.

Our equity story is based on five pillars:

1. Market leader with world-class technology
Our market-leading position is based on cutting-edge technology including value derived from software, our ability to scale, decades-long domain expertise and close customer relationships.

Our four business areas have market-leading positions in their respective market segments. This gives us strong economies of scale and we can achieve profitability levels that support continued investments in R&D. These investments help us maintain and improve our manufacturing assets, allowing us to defend and strengthen our leading market positions in electrification and automation.

Our cutting-edge technology, which includes both hardware and software, creates superior customer value as we help industries optimize, electrify and decarbonize their operations. Being present in various verticals for many decades has enabled us to build unique domain expertise as well as a large installed base and strong long-term relationships with end-customers and channel partners. Our deep understanding of customer needs and operations is at the root of ABB's customer value creation.

2. ABB Way – Accountability, transparency and speed
Through the period of 2019–2023 ABB has transformed into a more agile and efficient company where accountability, transparency and speed are fostered through the implementation of our decentralized operating model, the ABB Way. The ABB Way has been an integral part of making 2024 another record year for financial performance and under the leadership of our new CEO, Morten Wierod, we are fully committed to consistency in the ABB Way operating model. This is founded on our belief in having:

1. operating decisions made close to customers;
2. select common processes and
3. a strong performance management system.

In our decentralized model, operating decisions are taken close to customers in our divisions, which have full ownership and accountability for their respective businesses, including R&D, Capital expenditures (CapEx), strategy and M&A. These businesses benefit from select common processes linked to ABB brand, human capital, compliance and integrity. Each division should benefit from being part of the ABB Group. Our leaders are encouraged to cooperate where there are synergies and it makes sense for the business. Lastly, our strong performance management system ensures performance can be tracked quickly and easily with standard key performance indicators (KPIs) to facilitate speed in decision making. Each division is given a mandate of stability, profitability or growth, which translates into strategic priorities and appropriate targets that are supported by incentives.

Looking forward, we aim to move accountability further down within the organization, empowering business line leaders with strategic mandates and corresponding incentives to further drive results. Clear mandates and accountability at the business line level will further enhance transparency and operational speed across the organization.

3. Increasing growth rates
We target an average comparable revenue growth of 5–7 percent through the economic cycle. In addition, we want to utilize our strong balance sheet for acquisitions, adding 1–2 percent of revenues on average through the economic cycle.

The higher comparable growth ambitions are supported by our reshaped business portfolio, working in the ABB Way operating model and our exposure to accelerating megatrends and sustainability demand drivers.

At the same time, we aim to have a high pace of acquisitions. The responsibility to build the pipeline of potential targets has been transferred to the divisions and each management team is responsible for adding the necessary technology and footprint for achieving market leading positions. Acquisitions can be made in all divisions to fill gaps in technology, however, only divisions with a growth mandate are active in strategic acquisitions.

In 2024, we accelerated strategic partnerships and bolt-on acquisitions led by our divisions, completing nine new and eight follow-on venture capital investments and seven bolt-on acquisitions. Annual revenues from all deals announced this year put us within our target range for inorganic growth, and each business has built good target pipelines. We are making progress but still have some way to go before fully reaching our desired M&A performance culture.

03 External

Accelerating megatrends and sustainability drivers for electrification and automation

- The world going electric – Energy security – Energy efficiency – Automation
- Global carbon reduction targets
- Regulations – reporting standards
- Impact on corporates operational performance due to rising cost of carbon
- Customer, employee and shareholder focus

02 Internal

Working in ABB Way operating model with divisions accountable for growth with decision-making closer to the market

- ABB Way operating model – transferred operating decisions to divisions. Accountable for organic and inorganic growth
- Clarity and consistency on strategic mandate in businesses
- 70% of revenues with growth mandate

01 Internal

Reshaped portfolio around the ABB purpose of increased sustainability and resource efficiency through electrification and automation

- Exit of EPC business
- Completed exit of three divisions
- Focus on quality of revenues
- Continuous business portfolio assessment

COMPARABLE GROWTH
through economic cycle

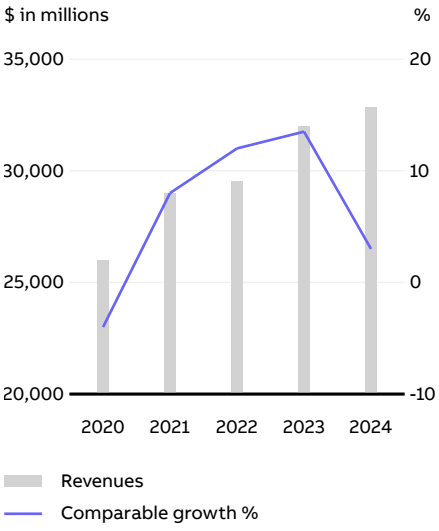
5–7% average

4. Improving performance

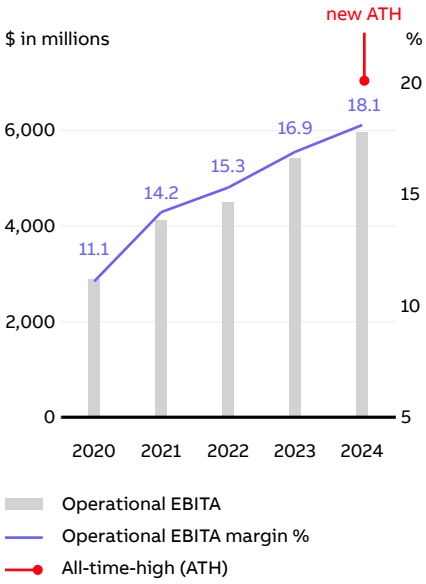
After several years of transformation to a more sustainably profitable company, there is now an increased focus on growth. It goes hand in hand with continuous improvements in ROCE and Operational EBITA margin, which is expected to remain at a best-in-class level of greater than 18 percent, even when achieving a higher pace of acquisitions.

Our new ways of working are yielding results, and we continued to improve financial performance, achieving new all-time high (ATH) levels for several KPIs in 2024. We are actively enabling a low-carbon society as well as working with our customers and suppliers to implement sustainable practices across our value chain and the life cycle of our products and solutions. We are equally committed to driving social progress, along with our suppliers and in our communities.

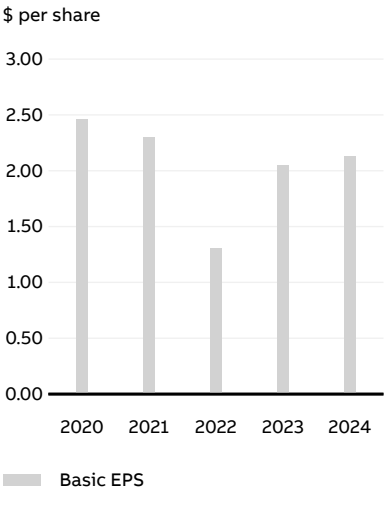
REVENUES



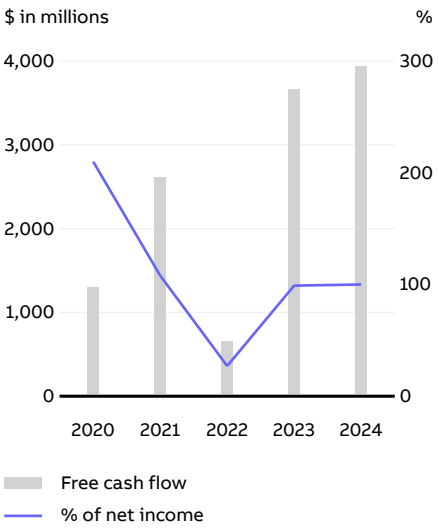
OPERATIONAL EBITA



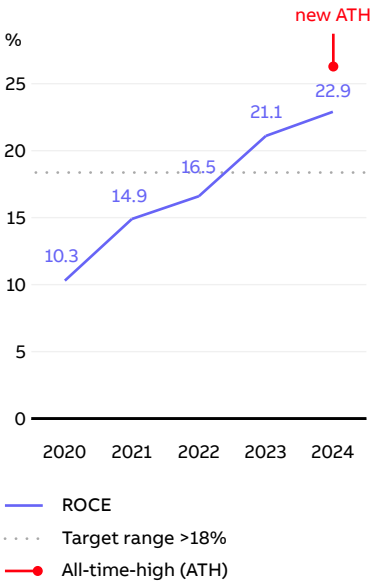
BASIC EPS



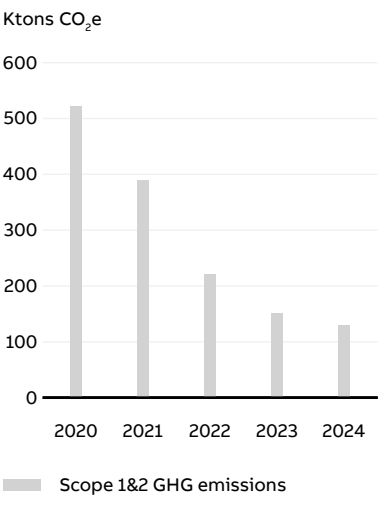
FREE CASH FLOW AND CONVERSION RATE



RETURN ON CAPITAL EMPLOYED (ROCE)



SCOPE 1&2 GHG EMISSIONS



FINANCIAL TARGETS:

5–7% average

Comparable revenue growth through economic cycle
Excluding FX impacts, acquisitions and divestments

16–19%

Operational EBITA margin (annual)

1–2% average

Acquired revenue growth through the economic cycle
Target is the net of acquisitions and divestments

>18%

ROCE (annual)
Excluding transformational deals

~100%

FCF conversion to net income (annual)

AT LEAST HIGH SINGLE-DIGIT %

EPS growth through economic cycle (Basic EPS)

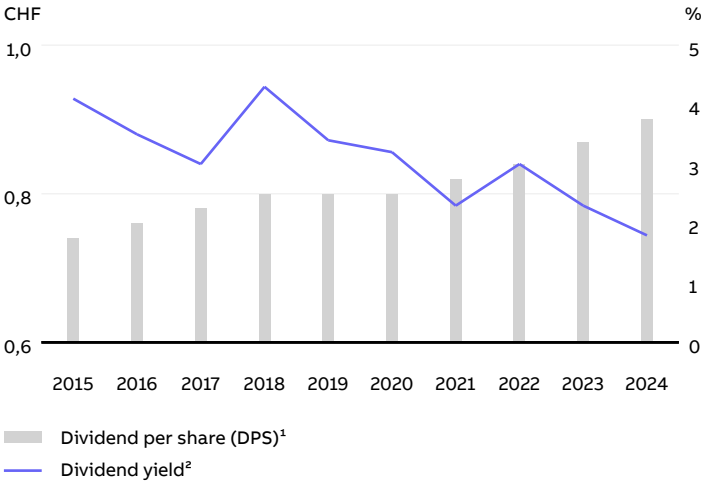
DIVIDEND POLICY

rising sustainable dividend per share over time

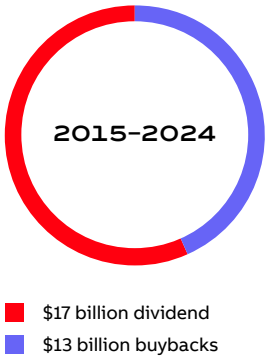
5. Rewarding shareholders

The creation of sustainable long-term shareholder value is a key priority. Our compensation programs and policies are designed to encourage performance improvement without taking excessive risks. The company's share ownership requirements for Executive Committee members are aligned with market practice and result in wealth at risk for each Executive Committee member which is aligned with shareholder interests. Our strong balance sheet and cash generation provides the capacity and flexibility for both solid cash distribution while still ensuring the financial strength to invest in organic and acquired growth. We are committed to a sustainable rising dividend per share over time. Additionally, our capital allocation priorities state that we distribute any excess cash to our shareholders via buybacks.

DIVIDENDS AND SHARE BUYBACKS



>$30 billion cash returned to shareholders over last 10 years



1. 2024 dividend per share of CHF 0.90 is proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting on March 27, 2025.
2. Calculated based on the share price at December 31.

CAPITAL ALLOCATION PRIORITIES:

1. Fund organic growth, R&D, CapEx at attractive returns
2. Rising, sustainable dividend per share over time
3. Value-creating acquisitions
4. Returning additional cash to shareholders via share buybacks

In 2024, ABB invested $845 million in capital expenditures (CapEx). Non-order related R&D investment was $1,469 million in 2024 or 4.5 percent of revenues for the year. The 2023 declared dividend amounted to $1,804 million. With respect to the year ended December 31, 2024, ABB's Board of Directors has proposed to distribute a dividend to shareholders in the amount of CHF 0.90 per share. This is subject to approval by shareholders at the Annual General Meeting on March 27, 2025. The proposal is in line with our dividend policy to pay a rising, sustainable dividend per share over time.

In April 2024, we launched a new share buyback program of up to $1 billion that ran until the end of January 2025. Together with the prior share buyback program, which ran from April 2023 to March 2024, we repurchased a combined value of $1.0 billion during the year 2024. ABB announced a new share buyback on January 30, 2025, as we plan to continue our share buybacks for the full-year 2025 in line with our capital allocation priorities.

ABB SHARE PERFORMANCE

In 2024, the price of ABB Ltd shares listed on the SIX Swiss Exchange (SIX) increased 32 percent, while the Swiss Market Index (SMI) increased 4 percent. The price of ABB Ltd shares on the Nasdaq Stockholm increased 34 percent, compared to the OMX Stockholm 30 Index, which increased 4 percent. Total shareholder return (including dividends) of ABB Ltd shares listed at SIX was 35 percent during 2024.

On May 23, 2023, ABB delisted its American Depositary Receipts (ADRs) from the New York Stock Exchange. In the period between June 1, 2023, and May 31, 2024, the 12-month US Average Daily Trading Volume (ADTV) in ABB's ADRs fell below 5 percent of the ADTV worldwide. As a result, ABB met the requirements to apply to deregister and terminate the reporting obligations for its debt and equity instruments under the U.S. Securities Exchange Act of 1934, as amended. ABB voluntarily filed to immediately suspend its reporting obligations under the U.S. Exchange Act with the SEC Form 15F. Filed on June 10, 2024, this became effective in September 2024. ABB continues to comply with its financial reporting and other obligations pursuant to applicable stock exchange listing rules – in particular the Listing Rules of SIX Swiss Exchange and the Nasdaq Stockholm Rulebook.

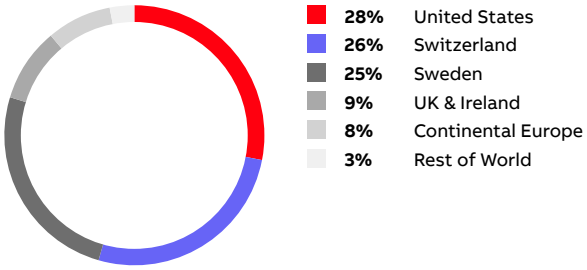
In 2024, approximately 28 percent, 26 percent, 25 percent of shares issued were held in the United States, Switzerland and Sweden, respectively. The ten largest individual shareholders accounted for approximately 41 percent of the share capital on the same date. On December 31, 2024, 77 percent of the shareholder base was made up of institutional investors with retail investors reaching 19 percent. On December 31, 2024, members of the Group Executive Committee owned a total of 611,418 shares in ABB. Members of the Board of Directors owned a total of 562,303 shares in ABB. Total ownership of ABB shares held by the Group Executive Committee and the Board of Directors corresponds to less than 1 percent of the capital and voting rights.

KEY DATA

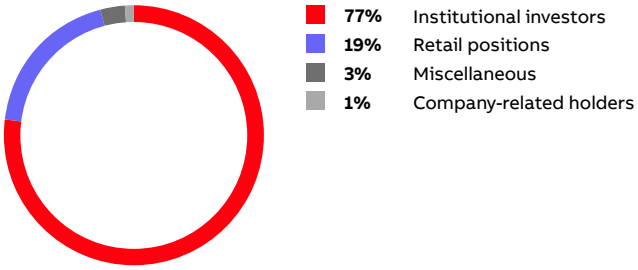
	FY 2024	FY 2023	FY 2022
Dividend per share (CHF)	0.90[1]	0.87	0.84
Votes per share	1	1	1
Basic earnings per share (USD)[2]	2.13	2.02	1.3
Total ABB stockholders' equity per share (USD)[3]	7.88	7.28	6.85
Dividend payout ratio (%)[4]	47%	51%	70%
Weighted-average number of shares outstanding (in millions)	1,844	1,855	1,899

1. Proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting on March 27, 2025.
2. Calculation based on weighted-average number of shares outstanding.
3. Calculation based on the number of shares outstanding at December 31, 2024.
4. Dividend per share (converted to US dollars at year-end exchange rates) divided by basic earnings per share.

DISTRIBUTION OF SHAREHOLDINGS BY COUNTRY



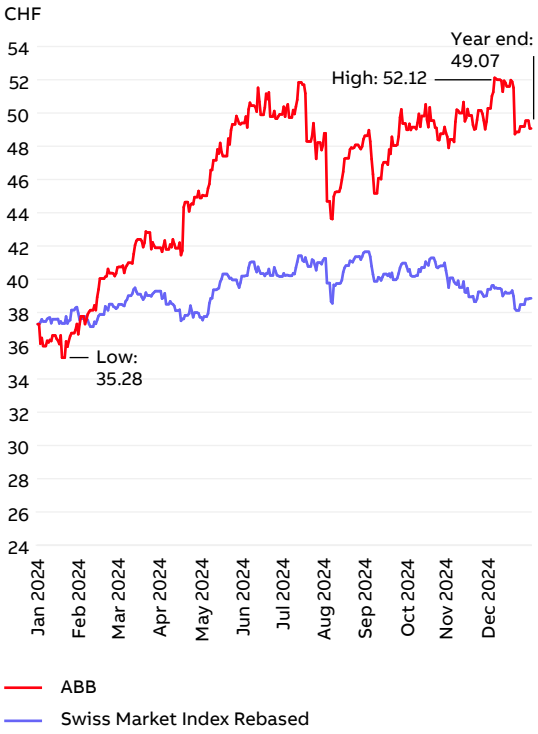
BREAKDOWN OF SHAREHOLDERS BY TYPE



Source: Company data

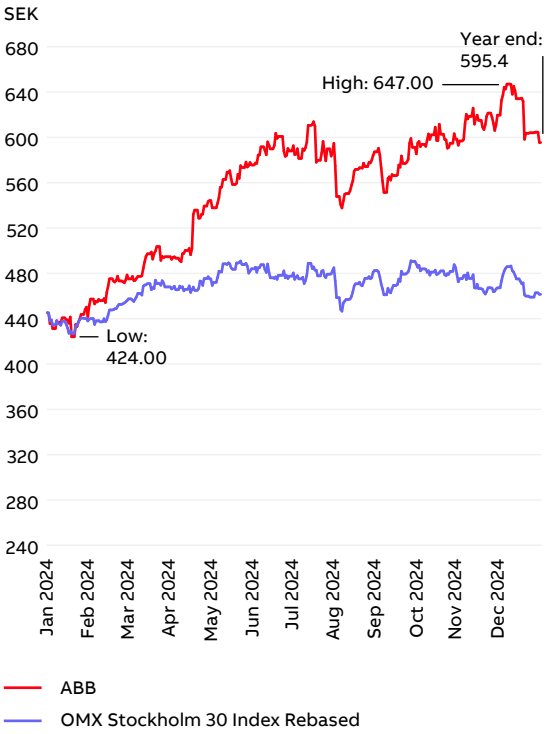
ZURICH

Average daily traded number of shares: 2.85 million



STOCKHOLM

Average daily traded number of shares: 0.57 million



Source: FactSet.

02

VALUE CREATION

OUR VALUE CREATION MODEL

We create value for our stakeholders through our technology leadership in electrification and automation, building on our decentralized operating model to enable a more sustainable and resource-efficient future.

In everything we do, we strive to consider how ABB impacts and is impacted by our stakeholders and the business environment. We define value creation as the transformation of our inputs into outputs and outcomes that fulfill our purpose of enabling a more sustainable and resource-efficient future. We collaborate closely with our stakeholders across ABB's value chain and consider megatrends that shape our business environment in order to:

- create value through world-class technology;
- deliver leading financial performance;
- enable a low-carbon society;
- preserve resources;
- promote social progress; and
- embed a culture of integrity and transparency.

To measure the success of our value creation, we leverage a broad set of qualitative and quantitative key performance indicators (KPIs) of which a subset is included in the illustration of our value creation model. Moreover, in the following chapters we report in more detail on our value creation inputs and how we turn them into outputs, as well as on the business environment in which we operate.

OUR VALUE CREATION MODEL

KEY MEGATRENDS

- Energy transition
- Demographic shifts
- Geopolitical fragmentation
- Digitalization and AI

INPUTS

Financial
- Total stockholders' equity: $15,060 mn
- Total liabilities: $25,297 mn

Intellectual
- Percentage of R&D employees in software development: >50%
- R&D spend: 4.5% of revenues
- Number of new venture-capital investments: 9 and 8 follow-on investments

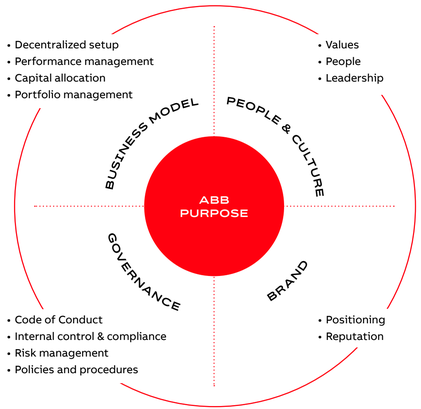
Natural
- Energy consumption: 1,292 GWh (95% of electricity consumption come from renewable energy sources)
- Total water consumption in areas at water risk incl. high-water stress areas: 283,123 m³

Manufactured
- Book value of property, plants and equipment: $4,177 mn
- Number of manufacturing sites: >170 (number of countries with manufacturing sites: >40)
- Share of local-for-local production[1]: ~95% Europe, ~85% China, ~75% USA

Human
- Diverse workforce: 112,769 employees representing 174 nationalities as of December 31, 2024
- Average hours of training per year and employee[2]: 8.4
- Safety observation tours (SOT) rate: 5.4

Social and relationship
- Customer base evenly distributed among the three regions
- Numerous partnerships with universities and research institutions

THE ABB WAY



- Decentralized setup
- Performance management
- Capital allocation
- Portfolio management

- Values
- People
- Leadership

- Code of Conduct
- Internal control & compliance
- Risk management
- Policies and procedures

- Positioning
- Reputation

STRATEGIC DIRECTION

STAKEHOLDERS

- Customers
- Employees
- Governments and civil society including NGOs
- Investment community
- Partnerships
- Suppliers

OUTPUTS AND OUTCOMES

TARGETS AND AMBITIONS

We deliver leading financial performance
- Comparable revenue growth: 5–7%
- Operational EBITA margin: 16–19%
- ROCE: >18%
- FCF conversion to net income: ~100%
- EPS: At least high single-digit growth

We create value through world-class technology
- Invest to maintain market-leading technology in electrification and automation through organic and inorganic investments

We enable a low-carbon society
- Reduce scope 1+2 GHG emissions by at least 80% by 2030 vs 2019
- Reduce scope 3 GHG emissions by 25% by 2030 vs 2022
- Ambition to help our customers avoid emissions throughout the lifetime of products sold between 2022 and 2030

We preserve resources
- Send zero waste to landfill while reducing waste generation by 2030
- Cover at least 80% of products and solutions with our Circularity Approach by 2030[8]

We promote social progress
- Achieve a top-tier employee engagement score
- Increase proportion of women in senior management roles[5] to 25% by 2030
- Expand programs for community engagement
- Gradual reduction in LTIFR[11]

We embed a culture of integrity and transparency
- We aim to embed a culture of integrity and transparency across the value chain

2024 PERFORMANCE

- 3% comparable revenue growth
- 18.1% operational EBITA margin
- 22.9% ROCE
- 100% FCF conversion to net income
- $2.13 basic EPS, +6% year-on-year

- Orders from products that are digital or digitally enabled: ~60%[3]
- Priority patents, utility models and design applications filed: >750

- 78% reduction of scope 1+2 GHG emissions since 2019
- 8%[4] reduction of scope 3 GHG emissions since 2022
- 66 Mt GHG emissions avoided through products sold in 2024

- 5.8% of total waste sent to landfill
- Circularity score to be calculated after assessing a representative portfolio share (currently 41% assessed)[10]

- 78/100 employee engagement score
- 21.3% women in senior management roles
- $9 mn donated and ~6,105 person-days volunteered
- 0.15 lost-time injury frequency rate

- Trust KPI[6]: 55% of reporters[7]
- Engagement KPI[6]: 82% of employees with online access[7]

This icon on the subsequent pages signifies your location within the value creation model.

1. Management estimate based on FY2023 revenues.
2. Includes tools such as My learning, Harvard Spark, Harvard Manager Mentor and LinkedIn Learning and covers both leadership and functional/technical learnings, for internal employees.
3. Management estimate based on 2023 orders.
4. In 2023, we published a "representative scenario" and a "strict scenario". Going forward, we report the strict scenario as the basis for our scope 3 emissions, taking a more conservative approach based on full energy input for certain products.
5. At ABB, senior managers are defined as employees in Hay grades 1–7.
6. Rate of severity level 1 and 2 investigations where the reporter disclosed their identity, as a measure of trust in the reporting system and integrity program.
7. Year 1, 2, 3 and 4 (January 1, 2021, to December 31, 2024). Management estimate.
8. Volume of unique visitors on the Integrity Awareness Portal for integrity learnings.
9. Based on revenues from hardware-based products and solutions, where granularity of financial systems allows. Service revenues are excluded.
10. The circularity score of the assessed products and solutions is to be calculated once a representative share of the portfolio has been assessed.
11. Zero harm to our people and contractors – we aim for a gradual reduction in lost time from incidents.

OUR STRATEGIC DIRECTION

You are here in the value creation model.

1. International Energy Agency, IPCC Sixth Assessment Report, McKinsey Charting the global energy landscape to 2050: Emissions

ABB's strategic direction builds on our purpose and guides our 19 divisions in collectively creating superior value for all our stakeholders. While we operate in a decentralized set-up, our strategic direction enables us to harness the right inputs and efficiently transform them into outputs aligned to our shared objectives and targets.

Our lean and effective corporate functions at Group level set the frameworks for financial and sustainability performance, capital allocation, portfolio management, people and culture, governance, and brand that inform our strategic direction and help us embed sustainability in everything we do. Our divisions – as the highest operating level at ABB – have full ownership and accountability for their strategies, performance, and resources. They are expected to take strategic and operational decisions in line with our long-term ambitions:

- Striving for market leadership across our respective market segments and enhancing our technology and digital leadership through software-enabled products and solutions and stand-alone software and digital services.
- Retaining innovation leadership by investing in R&D, scouting for new technologies, and collaborating with customers, promising start-ups, universities and industry leaders.
- Actively managing our portfolio to future-proof ABB by securing exposure to strong long-term market trends. This includes organic growth and portfolio adjustments, as well as adding technology and geographical footprint.
- Embedding sustainability in all our processes and across our value chain.

By actively pursuing these long-term ambitions, our divisions are able to strengthen our leadership in electrification and automation. Our products and solutions position ABB as a key player in accelerating the energy transition for a net-zero future by optimizing, electrifying and decarbonizing industry, buildings, power, and transport – sectors that together account for over 80 percent[1] of global energy-related emissions. Our purpose and commitment to enable a more sustainable and resource-efficient future is also reflected in our Sustainability Agenda, which outlines ambitious targets across the three pillars "enabling a low-carbon society", "preserving resources" and "promoting social progress" and is underpinned by our commitment to embed a culture of integrity and transparency along our extended value chain.

In line with our decentralized operating model, our divisions are expected to pursue our strategic direction, deliver on our long-term ambitions and, consequently, are also accountable for their sustainability performance. Our business areas and divisions work closely with our customers to deliver on the three pillars of our Sustainability Agenda, and to contribute to the United Nations' Sustainable Development Goals (SDGs). Through a close exchange with our key stakeholders, we identified four SDGs where we create the greatest impact.

SUSTAINABLE DEVELOPMENT GOALS

While ABB contributes most to these four SDGs, we recognize the importance of the other SDGs and aspire to contribute to their achievement whenever and wherever possible.

7 AFFORDABLE AND CLEAN ENERGY

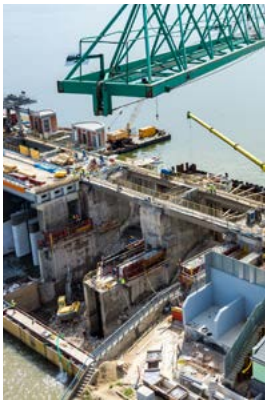
Ensure access to affordable, reliable, sustainable and modern energy for all.

ABB enables access to affordable and sustainable energy through our portfolio of electrification, automation and energy-efficient solutions.

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

ABB contributes to decent work and economic growth by providing safe and fair employment, paying taxes and supporting local communities.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

ABB's innovative technologies actively contribute to sustainable industrialization and give us, our business partners and our customers the ability to move, work and live more sustainably.

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

By reducing our own GHG emissions, empowering customers to avoid emissions and integrate renewables, and working with suppliers and partners to reduce their carbon footprints, ABB is enabling decarbonization and climate action.

SUSTAINABLE DEVELOPMENT GOALS

ABB supports the Sustainable Development Goals

OUR BUSINESS ENVIRONMENT

You are here in the value creation model.

1. McKinsey & Company report: Global Energy Perspective 2024.
2. International Energy Agency.
3. Management estimate.
4. Science based targets: companies taking action.
5. World Bank State and Trends of Carbon Pricing Dashboard.
6. McKinsey report: Risk, resilience, and rebalancing in global value chains.
7. Management estimate based on FY2023 revenues.

At ABB, we continuously monitor risks and opportunities to identify key factors that could affect our business, growth, and strategy. Our broad industrial exposure across many sectors provides stability, allowing us to better weather market fluctuations. Risk management is embedded within our 19 divisions, which are closest to our customers and are thereby able to act with agility to emerging opportunities and risks. Through structured risk assessments and proactive reviews, we anticipate change, adapt quickly, and capitalize on new trends. This approach helps us mitigate potential threats and seize opportunities, ensuring resilience and driving sustainable growth.

MEGATRENDS

Megatrends are long-term shifts in demographics, technology, the economy, and the environment; they redefine how people live and work. At ABB, we are positioned at the core of key megatrends such as the energy transition towards electricity as a key energy source, energy efficiency, decarbonization of heavy industries, demographic shifts in labor supply, geopolitical fragmentation, and digitalization and AI. These align directly with our purpose to drive sustainability and resource efficiency through our customer offerings in electrification and automation. By staying focused and executing effectively on our purpose, we are well positioned to capitalize on these trends and deliver long-term value to our stakeholders.

The energy transition

The demand for electricity is expected to more than double by 2050[1], driven by the electrification of transport, industry and buildings. Electrification will be essential for achieving net-zero emissions and is expected to contribute over 50 percent of the required emissions reductions by enabling a shift from fossil fuels to renewable energy sources. Power generation, industry, transport, and buildings account for 95 percent[2] of global greenhouse gas emissions, and these four segments represent 98 percent[3] of ABB's revenues. Our technologies play a key role in supporting the energy transition, helping us contribute to progress and innovation in these essential sectors.

1. Investment in electrical infrastructure

Today's electricity grids face challenges in meeting growing energy demand while also enabling a transition to cleaner sources. The grid, originally designed for steady fossil fuel generation, requires upgrades in technology, energy storage and smarter management to handle the decentralized nature of renewable power generation.

In the US, aging infrastructure struggles to keep up with the increasing integration of renewable energy, leading to grid reliability concerns and hence the need for modernization. Europe faces the challenge of balancing energy security with its ambitious decarbonization goals, requiring coordinated investments in grid resilience and cross-border energy networks. Meanwhile, China is focused on rapidly expanding its grid to support urbanization and industrial growth while transitioning from coal to cleaner energy sources. Similarly, India is focused on increasing grid capacity and securing access even across its most remote regions. Each region faces unique hurdles, but all are working to adapt their grids to support the energy transition and grid resilience.

ABB's technologies in electrification, automation and digitalization enable a smarter, more flexible energy network. With approximately 13 percent[3] of our offerings directly tied to power generation, distribution and renewable energy, we are well positioned to support these investments and upgrades to the current infrastructure, delivering on our purpose to enable a more sustainable future.

2. Decarbonization of industries

Industry accounts for approximately 25 percent[2] of global greenhouse gas (GHG) emissions. Today, policy changes, strong corporate commitments and market pressures are driving the decarbonization of industry. While over 10,000[4] businesses worldwide have committed to the Science-Based Targets initiative (SBTi), pledging to decarbonize their operations and value chains, carbon pricing mechanisms are also expected to increase the pressure on industries to accelerate their efforts. As of today, already more than 80[5] jurisdictions have implemented carbon pricing mechanisms, including carbon taxes and emissions trading systems (ETS),

covering about 24 percent[5] of global emissions. As carbon prices continue to rise and carbon pricing mechanisms expand in scope to cover more sectors, industries are increasingly incentivized to reduce emissions and, hence, limit the impact of purchasing carbon permits on their operating costs.

The transformation and decarbonization of heavy industry requires a multifaceted approach that spans electrification, automation and digitalization: when replacing gas and diesel-powered turbines with electric motors, innovation enables a reduction in emissions but also enhances flexibility and efficiency. With more than half[3] of our customer offering linked to the electrification and automation of industry, this is where ABB excels. Our technologies help optimize production processes, electrify industrial machinery and increase the energy efficiency of motor-driven applications, supporting our effort to help heavy industries transition to cleaner energy solutions using advanced technologies.

3. Energy efficiency

With rising energy demand and stricter regulations, such as minimum energy efficiency requirements for industrial motors sold in both the US and the EU, improving energy efficiency is now a key driver for both economic and environmental progress. According to the International Energy Agency (IEA), energy efficiency measures could contribute around one third[2] of the emissions reductions needed by 2030, making efficiency gains an essential component of the global push to reach net zero.

At ABB, we are not only committed to net zero ourselves, but also to helping our customers with roughly 35 percent[3] of our offering linked to energy efficiency and emissions reductions. Our energy-efficient solutions – such as variable speed drives, high-efficiency motors and energy management systems – are designed to optimize energy use, reduce waste and improve operational performance across industries. We enable customers to lower their energy consumption, reduce costs and shrink their carbon footprint.

45% of the world's electricity is **converted** by industrial **electric motors** into motion

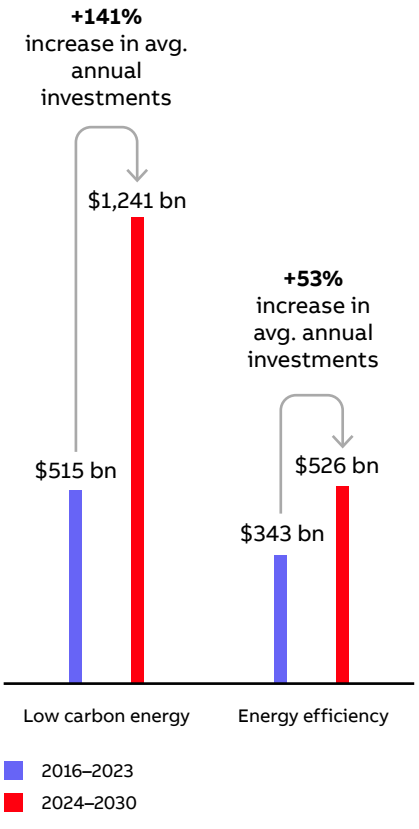
We stand for productivity in a low-carbon world, so we innovate to contribute to energy efficient, decarbonizing and circular solutions for customers, industries and societies

The **combination of high efficiency motors and drives** can help reduce total global electricity consumption by up to 10%

<25% of the world's electric motors are controlled by drives

A drive can typically reduce power consumption by **25%**[1]

Demand for electric motion to double by 2040



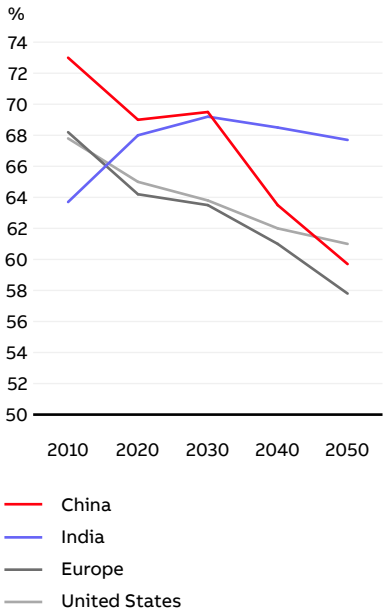
1. Management estimate.

Demographic shifts in labor supply and urbanization

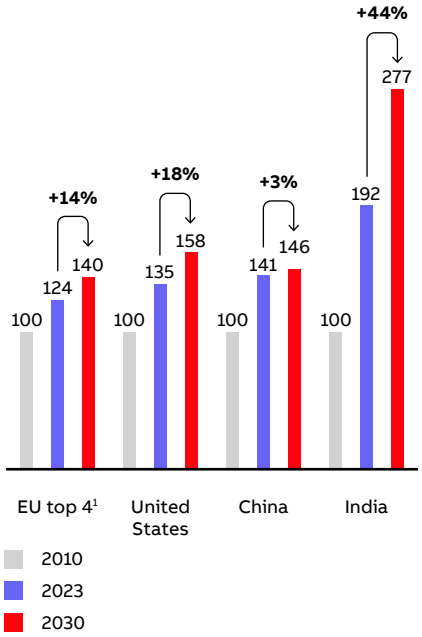
Demographic shifts are creating challenges for our customers across geographies. In many countries, populations are aging and hence their workforces are shrinking. Here, automation is becoming essential for continued economic growth and pushing companies to increasingly deploy automation, robotics and AI-driven software to maintain efficiency and productivity.

At ABB we have leading technologies such as PLCs, our mechatronics platform including our expanded collaborative robots range, the OmniCore™ controller, and our broad autonomous mobile robot (AMR) portfolio with unique AI embedded capabilities such as vision, which allows us to create automation solutions across segments, including newer fields such as healthcare and construction.

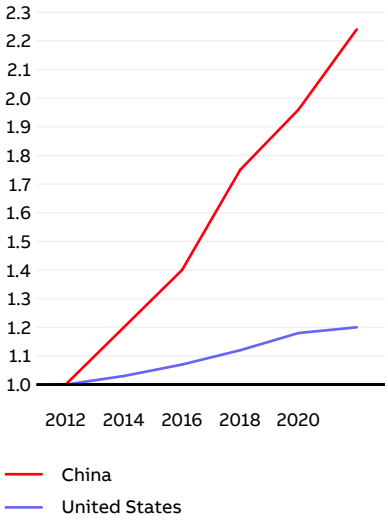
Share of working age population (15–64) in selected countries/regions



Unit labor cost index (LCU, 2010 = 100) in selected countries/regions



Cost of manufacturing labor (2012–2021, indexed to 2012)



1. EU top 4 = Germany, France, Italy, Spain
Source: UN Population Prospects 2024, S&P Global

Urbanization and increased consumption put pressure on infrastructure and resources, requiring significant investments in areas like energy security, clean water, reliable transportation, high-speed data and modern buildings. ABB's solutions in Electrification, Motion and Process Automation are central to addressing these needs.

Geopolitical fragmentation

Regionalization and localization are emerging as significant global trends, putting supply chains and operational footprint reviews high on corporate agendas. 93 percent[6] of supply chain leaders are planning to increase resilience, with many considering shifting production closer to key markets. For companies to adapt, investing in advanced technologies like AI, automation, and smart manufacturing is crucial.

By embracing these innovations, businesses can reduce costs, enhance productivity and stay competitive in a more regionally oriented, global economy. For ABB, this means that as our customers are investing in a more resilient, flexible and smarter footprint, we are there to support them with our localized offering of products and solutions.

At ABB, we have a strong tradition of local-for-local manufacturing, enabling us to stay close to our customers. Approximately 95 percent[7] of our products and solutions sold in Europe, 85 percent[7] of those in sold in China and 75 percent[7] of those sold in the United States are produced locally. Although a global company, we also take a local approach to our offering, localizing R&D and tailoring our

You are here in the value creation model.

product portfolio to the local market, where conditions allow.

Digitalization and AI

Digitalization and AI are transforming industrial manufacturing, logistics, building management, and many other sectors, by integrating data-driven tools directly into production processes. At ABB, we have digitally enabled approximately 60 percent of our products and services to enhance our ability to deliver greater efficiency and value to customers. For example, with the use of sensors and IoT devices we gather real-time data from machinery, production lines, and entire factories. This data then allows our customers to monitor operations, improve workflows, and address maintenance needs proactively. With AI, factories can automate processes that once required manual oversight, like quality control, where AI systems analyze data to detect defects more accurately and quickly.

AI also enables predictive maintenance, where algorithms detect patterns in equipment data to anticipate potential failures, preventing costly downtimes. Moreover, robotics powered by AI now handle increasingly complex tasks, speeding up production and improving accuracy. This shift enables manufacturers to become more flexible and respond quickly to changes in demand.

As digitalization and AI adoption is increasing across not only industry but all parts of our economy, demand in data centers is also rising and expected to grow at double-digit rates through 2030. This surge in demand is speeding up the move to more energy-efficient and scalable data centers to support the growing data needs for agile, data-driven operations across different sectors. Moreover, particularly AI-driven data centers require not only mission-critical power access but also significantly more power, further leading to an increased demand in medium-voltage solutions. As a leader in medium-voltage solutions, ABB offers a robust portfolio for the data center market, addressing customers' challenges regarding growing power needs, direct grid access needs and mission-critical power access.

OUR STAKEHOLDERS

We aim to build trust and foster long-term responsible business practices and relationships with our key stakeholders, including customers, employees, governments and civil society including NGOs, the investment community, partnerships and suppliers. These stakeholders shape our business environment and influence the way ABB operates; they are also impacted by what we do and the value we create. Their voices provide a unique perspective on market trends, innovations and technologies and help us better understand how they shape different industries and geographies. Engaging with our key stakeholders therefore also plays an important role in defining ABB's strategic direction and steering our business. The chapter "Engaging stakeholders" of the Sustainability Statement 2024 provides further detail on our key stakeholders and how we engage with them.

OUR INPUTS FOR VALUE CREATION

To deliver on our purpose and create long-term value for our stakeholders, ABB relies on financial, intellectual, natural, manufactured, human and social and relationship inputs. Both tangible and intangible inputs across these categories are used with care and considered fundamental to creating sustainable financial and non-financial value.

You are here in the value creation model.

ABB invests in value creation based on a strong understanding of our different stakeholders' needs and intersecting interests. By balancing the use of our inputs and ensuring they are complementary, we are able to build on the full potential of our inputs and amplify both our financial outputs and our contributions to a sustainable society. Hiring and continuously investing in our diverse workforce helps us innovate and develop new products and solutions for our customers. By reinforcing and continuously strengthening this technology leadership, we are able to deliver sustainable growth, reinvesting an increasing share of revenues into R&D, training and other targeted initiatives that help us sustain our competitive advantages, continuing our cycle of superior value creation.

Financial input
ABB's financial inputs enable us to continuously invest in intellectual, natural, manufactured, human, and social and relationship inputs. By relentlessly focusing on delivering a strong operational performance and net working capital efficiency, we continuously improve cash flow delivery and, hence, are able to invest in growth. Our positive cash flow enables us to capitalize on key megatrends through our products and solutions, inorganic growth, partnerships, efficient operations and state-of-the-art facilities.

Intellectual input
Building on 140 years of engineering know-how, we invest an increasing share of revenues in both R&D and technology ventures to support the development of cutting-edge technology. Leveraging the collective knowledge of our employees and their drive to innovate close to our customers gives ABB a competitive advantage that is not fully recognized on the balance sheet. This also includes the more than 250 projects running related to Artificial Intelligence (AI), covering innovations across our advanced software and digital offering. Our innovations and intellectual property are a key differentiator and enable us to create superior value for our customers by optimizing, electrifying and decarbonizing their operations.

Natural input
Natural resources, energy and materials are crucial inputs to run our business and provide products and solutions to our customers. With sustainability and resource efficiency core to our purpose, we strive to produce and deliver our offering in the most resource efficient and sustainable way. This includes, for example, our continuous efforts to switch to renewable energy sources and reduce our water withdrawal particularly in areas at water risk, including areas of high-water stress. We also reduce emissions across our own sites, a journey accelerated through our Mission to Zero™ program launched in 2019. Across 21 sites currently part of the program, we use innovative and ambitious measures to help our sites achieve Mission to Zero™ status. An important focus also lies on our supply chain and purchase of materials, which contribute towards the environmental footprint of our products across their life cycle.

Manufactured input
Manufactured inputs include the tools, machines, plants, infrastructure and buildings that we need to produce our products and provide our services. As of December 31, 2024, net property, plant and equipment amounted to $4,177 million, which was primarily invested in our approximately 170 manufacturing sites in over 40 countries. Our focus on "global reach with local presence" allows us to quickly scale innovations across our markets. Moreover, our long tradition of local-for-local manufacturing allows us to remain close to customers, exemplified by approximately 95, 85 and 75 percent[1] of products and solutions sold in Europe, China and the United States, respectively, being produced locally. We invest approximately $800 million annually in capital expenditure (CapEx) to ensure that our manufacturing capabilities can support our organic growth ambitions and secure our efficient production.

Human input
ABB's 110,000 employees, representing 174 nationalities, are at the core of our value creation. Their health, wellbeing, intellectual engagement, motivation and ability to do their jobs well are essential to our ability to create value. Our people strategy empowers our employees to understand and learn the skills needed to progress in their careers, to build a meaningful network they can lean on for feedback and guidance, and to take ownership of their growth and career.

Social and relationship input
ABB's relationships with the communities we operate in and our stakeholders, including customers, civil society, NGOs, employees, governments, investment community, partnerships, and suppliers, provide meaningful input in how we run ABB day to day. This means building on our large installed base and long-term relationships with end customers and channel partners to nurture a deep understanding of customer needs and ensure that we provide them with the greatest value possible. Moreover, we partner with universities and research institutions to drive innovation and develop advanced technologies across disciplines such as materials science, software and power electronics.

1. Management estimate based on FY 2023 revenues.

ABB WAY

In terms of value creation, the ABB Way guides us in transforming our inputs into outputs and outcomes and, hence, enables us to deliver superior value to our stakeholders. With our purpose at the core, the ABB Way defines “how” we work in a decentralized set-up to drive best-in-class performance.

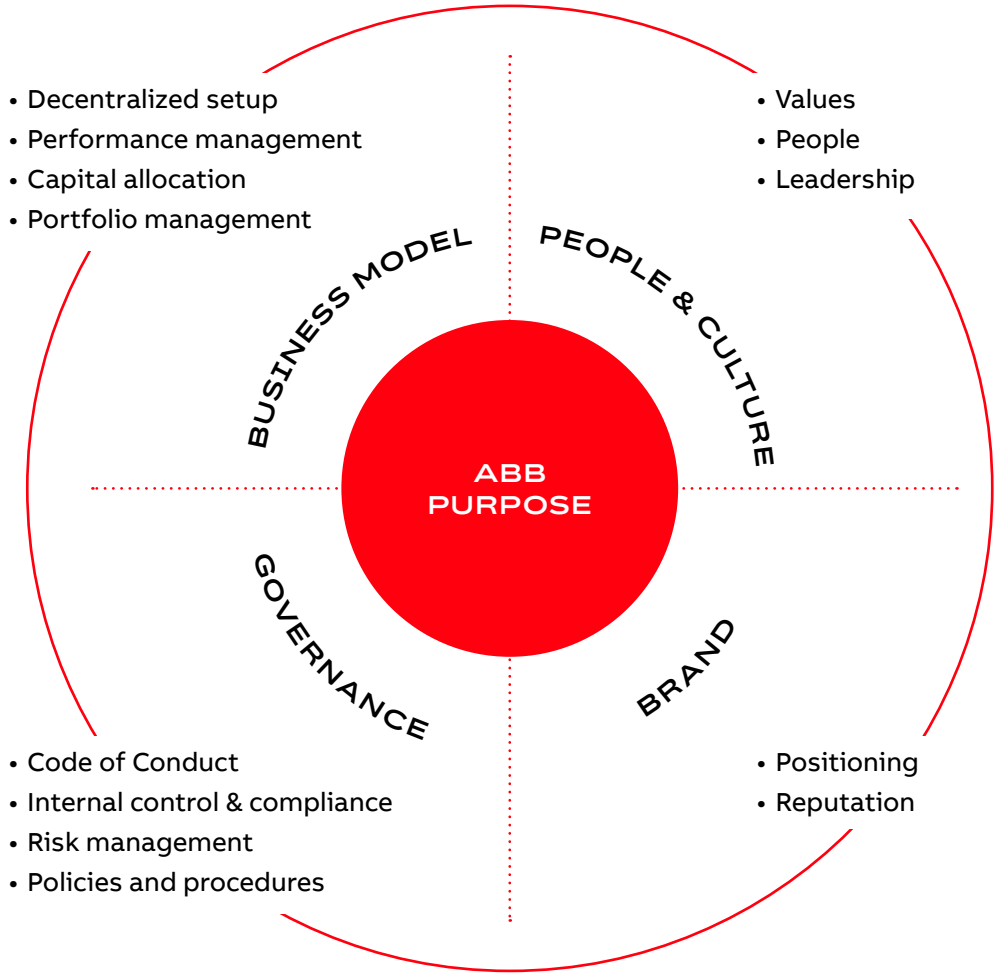
You are here in the value creation model.

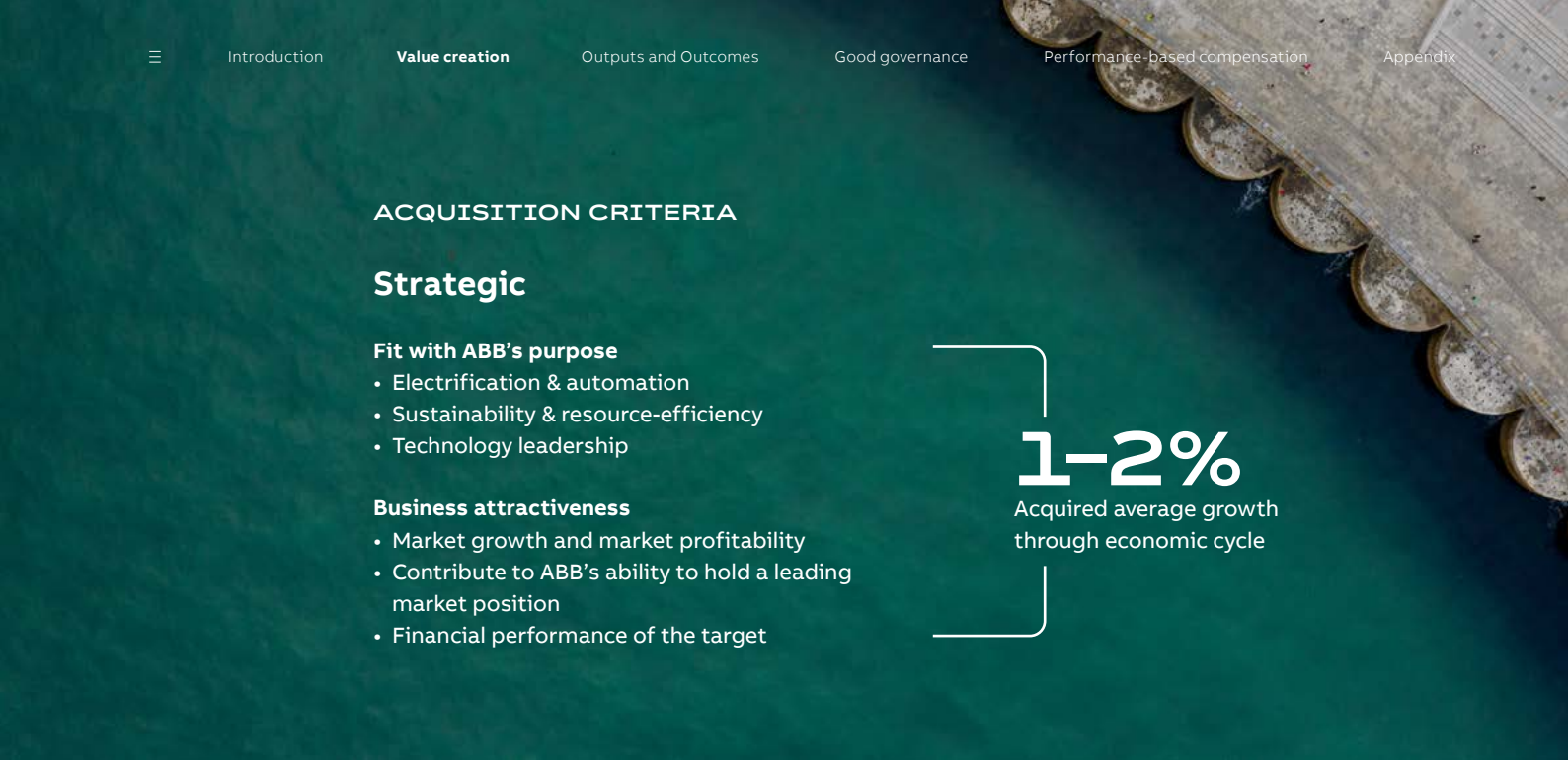
The ABB Way is our operating model and what ensures that the business is stronger as a group than as separate entities. Owned and controlled by ABB’s Executive Committee and mandatory for everyone across ABB, the ABB Way establishes a consistent business model, places emphasis on our people and ABB’s values, supports a strong culture of governance and integrity, and enables us to build and protect our brand and reputation.

BUSINESS MODEL

ABB’s business model guides us in how we work together in a decentralized set-up, drive best-in-class performance, allocate capital and manage our portfolio of 19 divisions. It ensures that all divisions not only follow the Group’s strategic direction and can contribute to achieving our financial and sustainability targets but also pursue opportunities to collaborate to best serve our customers.

THE ABB WAY





ACQUISITION CRITERIA

Strategic

Fit with ABB's purpose
- Electrification & automation
- Sustainability & resource-efficiency
- Technology leadership

Business attractiveness
- Market growth and market profitability
- Contribute to ABB's ability to hold a leading market position
- Financial performance of the target

1–2%
Acquired average growth through economic cycle

Decentralized set-up
Our divisions are the highest operational level at ABB, empowered with full ownership and accountability for their strategies, performance and resources. This decentralized set-up enables us to make decisions close to our customers and to operate with greater accountability, transparency and speed. Our divisions are organized into and governed by four business areas, while our lean corporate functions act as the key enabler for the Group, providing the frameworks for business, performance, portfolio management, capital allocation, people and culture, governance and brand.

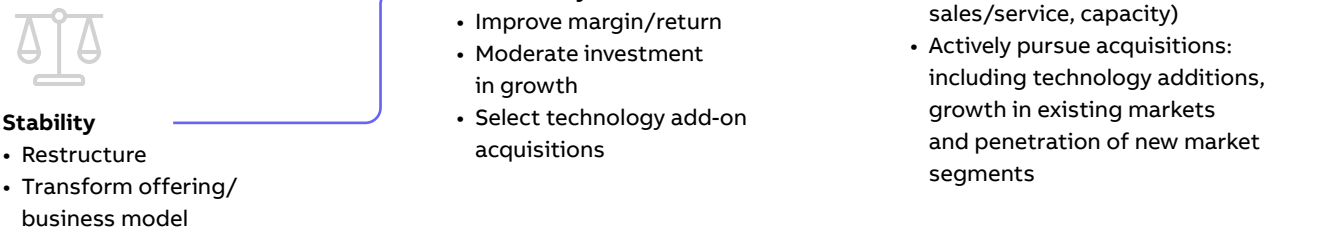
Performance management
At ABB, we strive towards continuous improvement and, therefore, build on a systematic and transparent performance management framework, covering short-, medium- and long-term.

We translate our strategic, financial and sustainability priorities into distinct targets, which are supported by appropriate incentives through our Annual Incentive Plan (AIP) and Long-Term Incentive Plan (LTIP). Core KPIs included in ABB's financial target framework cover revenue growth, operational EBITA margin, Return on Capital Employed (ROCE), Free Cash Flow (FCF) conversion to net income and Earnings per Share (EPS) growth.

Capital allocation
ABB's stringent capital allocation principles have enabled us to maintain a strong investment grade rating. We focus on funding organic growth (incl. R&D, CapEx) and paying a rising and sustainable dividend per share over time. Further, we continue to emphasize value-creating acquisitions to increase ABB's exposure to megatrends, fill technology gaps, complement or expand our offering in high-growth segments, gain access to new geographies, and boost economies of scale. Our ambition is to deliver an average 1–2 percent annual growth through M&A. Regardless of the acquisition size, the target must align with ABB's purpose and we need to demonstrate that ABB is a better future owner who can enable superior value creation. Lastly, share buybacks continue to be part of our long-term capital allocation priorities.

Portfolio management
As part of our portfolio assessment framework, we review our divisions' performance and strategic mandates from a Group perspective. While performance is evaluated against both market and ABB's financial and sustainability KPIs, our strategic mandates – stability, profitability or growth – reflect on a division's performance and translate into strategic priorities, such as delivering best-in-class performance and actively pursuing organic and inorganic growth opportunities for divisions on a growth mandate. As our strategic mandates have proven a successful tool to deliver value for our stakeholders, we continue to apply them further down in the organization, continuing to increase accountability, transparency and speed.

STRATEGIC MANDATES



PEOPLE AND CULTURE

→ See ABB's Code of Conduct.

Our people and culture are what make the difference and are the foundation of ABB's success. Building on ABB's four values – Courage, Care, Curiosity and Collaboration – we maintain a safe, fair, equitable and inclusive working environment in which everyone can succeed and develop. By fostering a "high performance – high integrity" culture, our employees are encouraged to drive performance by unleashing their full potential, always mindful of safety, internal controls, adherence to our Code of Conduct and our values. To continue to push the boundaries of technology and deliver on our purpose, we create opportunities for our people to focus on development and integrate learning into their work, encouraging them to gain new experiences and take the next step in their careers within ABB.

GOVERNANCE

ABB's strong governance framework is designed to enable accountability, transparency, speed to execute and responsible risk management in our decentralized set-up in order to safeguard our business, people, assets and reputation from potential harm. It secures our license to operate through our internal controls, policies and procedures including our Code of Conduct and is the basis to adopt technological developments such as artificial intelligence responsibly. The Code of Conduct serves as the foundation of our commitment to integrity, ethical behavior and human rights and guides us in embedding integrity throughout our entire value chain.

BRAND

The ABB brand is an expression of our company purpose, our values, and long history of innovation. Today, the iconic red ABB logo has become a sign of trust, quality and superior value for our customers, partners, investors and employees. By focusing on delivering on our purpose in everything we do, we continue to foster our reputation as a reliable business partner and technology leader, and to be the preferred choice for our stakeholders.

Helping industries outrun

Industries are the beating heart of the modern world. They power us; protect us; move and connect us; make things for us. Today, how industries run is critical. From energy, power and mining to building, transport, manufacturing, and more – they need to meet global demand, be more sustainable, efficient, and manage transitions. To them, "running" is no longer enough – they need to outperform. Or as we say at ABB, they need to "outrun", leaner and cleaner.

With our leading technologies in electrification and automation, we help industries run at high performance and become more productive, efficient, and sustainable, enabling them to outperform. At ABB, we call this 'Engineered to Outrun.'

RISKS AND OPPORTUNITIES

The proactive and strategic management of risks is an integral part of how we do business. Our defined risk management framework enables us to identify and assess risks early and ensures that we have appropriate responses to manage and mitigate their effects across all levels of ABB. At the same time, we seek to turn the risks we face into potential opportunities and strive to manage both risks and opportunities in a responsible way. This approach supports the creation and protection of value for ABB, our stakeholders and society.

ENTERPRISE RISK MANAGEMENT

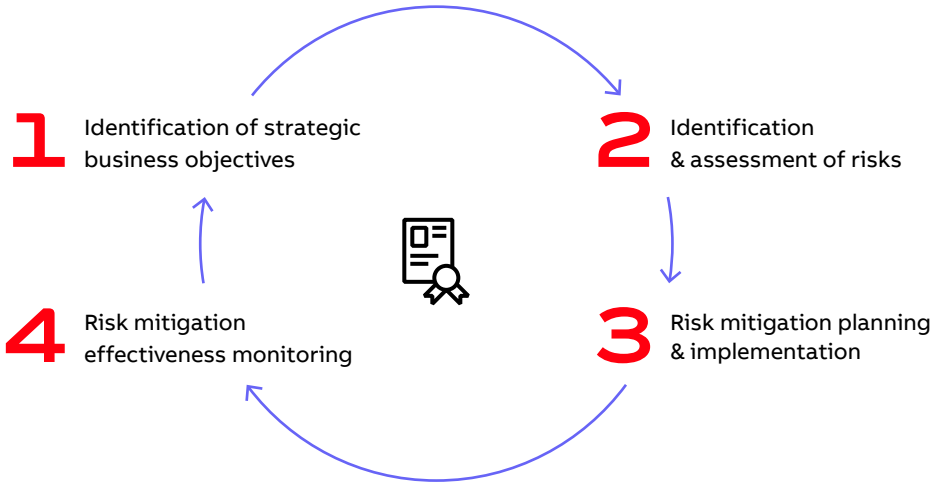
The enterprise risk management (ERM) process is our holistic approach to identifying risks which could adversely impact the achievement of ABB's strategic business objectives and lead to a material financial impact. The ERM process is embedded in our ABB Way operating model and encompasses all levels of our organization. It provides our leadership, including our Executive Committee and the Finance, Audit and Compliance Committee (FACC) of the Board of Directors, with a comprehensive overview of the most critical risks faced by our business.

This intelligence informs our overall strategy and risk discussions and allows us to make well-informed decisions to safeguard value and take calculated risks to create value amidst a dynamic societal and business landscape.

The ERM process relies on the ongoing identification, assessment, mitigation and monitoring of the most critical risks affecting ABB. Our detailed methodology starts with the identification of our strategic business objectives. Then, we identify the most critical risks which could prevent us from achieving these objectives and lead to a potential material financial impact in the next five years.

These risks are then assessed in terms of their potential impact, likelihood and speed of occurrence. Specific responses to address these risks are then planned, implemented and continuously monitored to ensure they remain effective. We strive to turn risks into opportunities not only to minimize their downsides but to create value for ABB and our stakeholders, wherever possible.

ABB'S ENTERPRISE RISK MANAGEMENT PROCESS



The ERM process at ABB categorizes risks as strategic, financial or operational:

1. Strategic:
Strategic risks can relate to any of the following: macroeconomic factors; market and technological developments; competitor and industry shifts; environmental, social and governance aspects; geopolitical developments; and/or portfolio management topics. These factors can have both negative and positive impacts on our business and create significant business opportunities.

2. Operational:
Operational risks can relate to any of the following: engineering, manufacturing, project management and productivity topics; health, safety and environment management; integrity and compliance aspects; supply chain management; cyber and information security threats; and/or talent attraction and retention. These factors can have adverse impacts on the day-to-day operations of our business as well as positive impacts by being sources of competitive advantage.

3. Financial:
Financial risks can relate to any of the following: risks arising from ABB's international financial activities; fluctuations in currency or interest rates; volatility in commodity prices; accounting and financial reporting requirements; financial planning, analysis and management aspects; and/or compliance with tax obligations. These factors are key to ensuring ABB has appropriate finance structures in place and that all financial compliance requirements enabling us to meet our capital needs are met.

Below are the top five enterprise risk clusters facing ABB over the next five years as identified in the 2024 ERM process from across ABB.

TOP FIVE ENTERPRISE RISK CLUSTERS 2024

Top five risk clusters	Examples of reported risks	Examples of risk responses
Cyber security incidents	Potential cyber incidents involving ABB or third parties due to global increase in sophisticated cyber attacks, AI-powered threats, high interconnectivity across the supply chain and increasing process digitalization.	• Continuous cyber vulnerability scanning and cyber defense tools to identify and prevent cyber attacks. • Onboarding of IT assets to global security solutions and endpoint detection and response
Geopolitical instability	Increased geopolitical tensions globally resulting in trade restrictions, protectionism, global technology decoupling, raw material price increases and asset damage.	• Evaluation and monitoring of exposure to and dependency on higher risk geographical markets. • Developing alternative supply chains for raw materials and dual sourcing strategies for key components.
Integrity behavior	Potential breach of laws & regulations and ABB's code of conduct resulting in reputational and brand value damage, trade sanctions, regulatory fines and penalties, and economic loss.	• Group-wide integrity training & awareness campaign and continuous improvement of internal control framework. • Integrity risk testing and consequence management implementation.
Intensified competition	Competitors' targeted growth strategies, strengthened capabilities, and competitive pricing, combined with increased traction from local market players and disruptive technologies influencing the landscape.	• Review of portfolio strategy and price positioning in key markets and reinforcement of sales capability in growing segments. • Continuous monitoring of market developments and further advance region-specific product strategies.
Legal and regulatory changes	An ever-changing regulatory landscape across multiple complex topics leading to potential restrictions on trade and challenges in meeting compliance.	• Proactive assessment of potential upcoming regulatory changes and dedicated teams to manage complex compliance requirements.

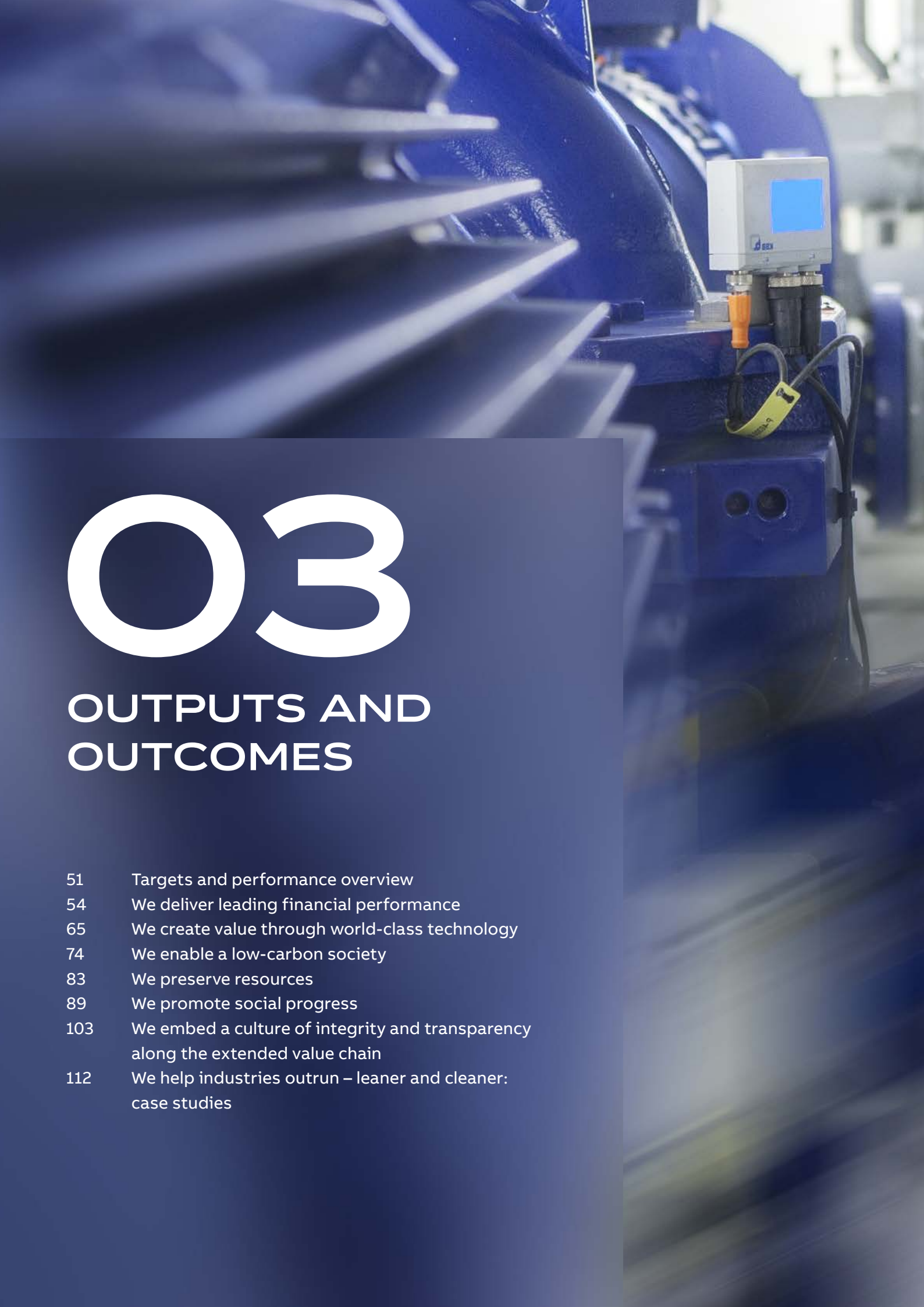
Our opportunities often arise in the same areas as our risks, showcasing how we not only work to mitigate risks, but also seek to create value for ABB and our stakeholders amid today's global challenges. For example, risks associated with the demographic shift of labor supply forces us to consider how we work smarter and more agile which in turn helps us innovate across process automation and robotics. Many of our offerings are also part of the solution to many of the world's challenges today, meaning the upside is much bigger than the downside. ABB's opportunities lie in strategic product innovation that meets customer and societal demands, especially when supporting the world's acceleration of the energy transition and the need to electrify. Our aim is to always be at the forefront when identifying new opportunities, considering the wider economic and societal megatrends that shape our environment.

SUSTAINABILITY RISKS AND OPPORTUNITIES

→ For more information on our material impacts, risks and opportunities, including disclosures on climate-related risks and opportunities, see the ABB Sustainability Statement 2024.

In 2024, ABB performed a new Double Materiality Assessment (DMA), aligned with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The result of the DMA presents ABB's material sustainability matters from an inside-out perspective (positive and/or negative impacts), as well as from an outside-in perspective (financially material risks and/or opportunities). We assess our impacts, risks and opportunities, including the responses to these, over the short-, medium- and long-term time horizons as well as across our full value chain. While our actual and potential impacts on people, planet and society are specifically addressed in the Outputs and Outcomes chapters in this report, these are also connected to effects on ABB. A negative impact on people for example can often turn into a risk for the company, and a positive impact contribution may result in a business opportunity.

ABB faces several risks and opportunities related to its material sustainability matters. For example, climate change poses risks to our infrastructure, operations, and employee safety. But acting on climate change provides opportunities. Collaboration with governments and NGOs aids the transition to a low-carbon economy, while innovations in renewable energy and efficiency secure our market leadership, reputation, and talent attraction, alongside reducing carbon footprint and costs through diverse energy sourcing. When addressing business conduct risks and opportunities, ABB's transparency and ethics build trust, combat corruption and limit financial risks. We perform rigorous audits and worker safety initiatives to manage the health and safety risks for workers in our value chain. Finally, ABB is also cognizant of risks pertaining to consumers and end-users, thereby ensuring that strong safety measures and clear usage instructions are present in our products.



03

OUTPUTS AND OUTCOMES

Targets and performance overview

We have established a set of short-, mid- and long-term targets, supported by appropriate incentives, to manage our performance and achieve our strategic priorities. These targets encompass both financial performance and progress on sustainability. The table below shows the summary of our progress toward our targets.

We deliver leading financial performance		
Targets		**2024 Status**
Revenue growth	5–7% annual average through economic cycle, plus 1–2% inorganic[1]	3% comparable
Operational EBITA margin	16–19%	18.1%
ROCE (return on capital employed)	>18%	22.9%
Free cash flow (FCF) conversion to net income	~100%	100%
Basic EPS (earnings per share) growth	at least high single digit %	6%
We enable a low-carbon society		
Targets	**Baseline (year)[2]**	**2024 Status**
Reduce own scope 1 and 2 CO_2e emissions by at least 80% by 2030 and by 100% by 2050	631 kilotons CO_2e (adjusted for portfolio changes) (2019)	138 kilotons CO_2e
Reduce scope 3 CO_2e emissions by 25% by 2030 and by 90% by 2050[3]	429,854 kilotons CO_2e (2022)	394,952 kilotons CO_2e
Ambition to avoid 600 megatons CO_2e emissions throughout lifetime of products sold from 2022 to 2030[4]	n.a.	204 megatons CO_2e
We preserve resources		
Targets	**Baseline (year)[2]**	**2024 Status**
Cover at least 80% of ABB's portfolio of products and solutions with our Circularity Approach by 2030[5]	n.a.	41% (share of ABB's products and solutions assessed)[6]
Send zero waste to landfill while reducing waste generation by 2030[7]	16.8 kilotons (2019), equivalent to 8.8% of total waste (adjusted for portfolio changes)	9.3 kilotons, equivalent to 5.8% of total waste
We promote social progress		
Targets	**Baseline (year)[2]**	**2024 Status**
Zero harm to our people and contractors – we aim for a gradual reduction in lost time from incidents (LTIFR)	0.24 (2019)[8]	0.15
Increase proportion of women in senior management roles[9] to 25% by 2030	11.7% (2019)	21.3%
Achieve a top-tier employee engagement score	71/100 (2019)	78/100
Expand programs for community engagement	n.a.	In 2024, we released an internal guideline to formalize the company's community engagement strategy and provide direction on developing projects aligned with ABB's Sustainability Agenda & ABB's Four Focus Areas (4Es) of intervention.

1. Calculated to exclude FX impacts and transformational acquisitions and divestments, includes bolt-on acquisitions and divestments within divisions.
2. Where baseline applies.
3. Strict scenario: Energy input used as the basis for calculations; for further details and explanation see our Sustainability Statement 2024. In 2023, we published a "representative scenario" and a "strict scenario". Going forward, we report the strict scenario as basis for our scope 3 emissions, taking a more conservative approach based on fully energy input for certain products.
4. This ambition is not part of the committed targets. Avoided emissions 2024 status is cumulative for 2022-2024.
5. Based on revenues from hardware-based products and solutions, where granularity of financial systems allows. Service revenues are excluded.
6. The circularity score of the assessed products and solutions is to be calculated once a representative share of the portfolio has been assessed.
7. Waste from demolition and construction excluded from landfill; not including hazardous waste.
8. Baseline 2019 excludes the divested Power Grids business and Turbocharging division.
9. At ABB, senior managers are defined as employees in Hay grades 1–7.

We embed a culture of integrity and transparency along the extended value chain

Targets 2030	Baseline (year)[1]	2024 Status
Global framework for assessing and mitigating third-party integrity risks through risk-based due diligence and life cycle monitoring. This target measures the implementation of a global framework for assessing third-party integrity risks. It is an ongoing and critical organization-wide, integrity-based enhancement, which strengthens how we onboard and manage the life cycle of our relationships with suppliers, sales channels and customers.	Framework established and operational. Integrity due diligence and risk management enhancements for suppliers (buy-side) and sales channels (sell-side) launched globally.	Framework enhanced and implementation tested. Comprehensive monitoring and risk mitigation guidance developed. Focused on the governance of this framework to sustain its operation and risk management of legacy third-party relationships, both in terms of suppliers and sales channels. Development of business specific plans to monitor and mitigate third-party risks, with focus on resourcing for sustaining operation.
Global Integrity Program underpinned by accountability for integrity and an adaptive risk management strategy gained from insights through targeted learnings, transparent reporting and monitoring. This target measures the implementation and effectiveness of our Global Integrity Program through how we drive individual accountability for integrity and adapt our risk management strategy to real-time data insights gained from integrity-based learnings, reporting and monitoring.	1. **Trust KPI** – the rate of severity level 1 and 2 investigations where the reporter disclosed their identity: • Year 1 (January 1, 2021, to December 31, 2021): 57% of reporters; • Year 1 and 2 (January 1, 2021, to December 31, 2022): 60% of reporters; • Year 1, 2 and 3 (January 1, 2021, to December 31, 2023): 60% of reporters. 2. **Engagement KPI** – the volume of unique visitors to the Integrity Awareness Portal for integrity learnings: • Year 1 (January 1, 2021, to December 31, 2021): 25% of employees with online access; • Year 1 and 2 (January 1, 2021, to December 31, 2022): 69% of employees with online access; • Year 1, 2 and 3 (January 1, 2021, to December 31, 2023): 80% of employees with online access.	1. **Trust KPI** – the rate of severity level 1 and 2 investigations where the reporter disclosed their identity, as a measure of trust in the reporting system and integrity program: • Year 1, 2, 3 and 4 (January 1, 2021 to December 31, 2024): 55% of reporters. 2. **Engagement KPI** – the volume of unique visitors on the Integrity Awareness Portal for integrity learnings: • Year 1, 2, 3 and 4 (January 1, 2021 to December 31, 2024): 82% of employees with online access.
At least 80% of supply spending in focus countries[2] covered by Sustainable Supply Base Management (SSBM) by 2030	Using a risk-based approach, a mid-term 2025 target has been set, focusing on high-risk suppliers in focus countries.[2]	
At least 80% of spending on high-risk suppliers in focus countries[2] covered by SSBM by 2025		68% of supply spending on high-risk suppliers in focus countries covered by SSBM
Linking sustainability targets to executives' variable pay	Under the Annual Incentive Plan (AIP), a safety goal was included within the individual measure for some members of ABB's Executive Committee. The individual measure had a total weighting of 20% of the executive's target AIP award (2019).	Under the AIP, in 2024, at least two sustainability-related performance goals were included within the individual measure for each member of ABB's Executive Committee. The individual measure had a total weighting of 20% of the executive's target AIP award.
	The Long-Term Incentive Plan (LTIP) had two performance measures with an equal weighting of 50% each, namely average earnings per share and relative total shareholder return. The LTIP was awarded to executives, including Executive Committee members and division presidents. Vesting under the LTIP was subject to the achievement of the plan specific targets over a period of three years (2019).	The LTIP is granted to approximately 100 executives, including Executive Committee members and division presidents. One of the three performance measures under the 2024 LTIP is based on achievement of a corporate sustainability target which carries a weighting of 20% of the executive's target LTIP award. Vesting under the LTIP is subject to the achievement of the plan specific targets over a period of three years.

1. Where baseline applies.
2. Current focus countries are Brazil, Bulgaria, China, Egypt, India, Malaysia, Mexico, Saudi Arabia, South Africa, Thailand, Tunisia and Türkiye.

We deliver leading financial performance

In 2024, we made progress on virtually all headline numbers of our income statement driven by benefits from our decentralized ABB Way operating model and an overall supportive market environment. Our operating assets yield high returns, and our continued investments enable us to maintain a market leading position with world-class technology in electrification and automation – creating value for all our stakeholders.

You are here in the value creation model.

After a period of transformation, all our businesses are now aligned with our purpose and are well-positioned at the center of key trends, such as electricity becoming the primary energy source and the increasing need for automation and digitalization to remain able to produce. We support our customers with high-quality, low-carbon solutions and energy efficient offerings, while also helping manufacturing companies automate for greater resource efficiency. This year we saw strong growth in our electrification offerings, driven by rapidly increasing demand for electricity, which is expected to grow nine times faster than other energy sources between 2024 and 2030. This strength more than offset weakness in discrete automation. Although the fundamental long-term market drivers remain intact in this business segment, customer activity this year was tempered mainly by normalized ordering patterns after a period of pre-buys.

The ABB Way operating model is firmly established within our organization, supported by the fact that our new CEO, Morten Wierod, and two new Business area presidents, Giampiero Frisio and Brandon Spencer, are internal hires with proven track records of successfully managing within this framework. From this strong level we see opportunities to deepen the impact of the ABB Way by extending it further into the business lines. Our goal is to make the ABB Way second nature across all teams, incentivizing management with clear strategic mandates, as well as increasing accountability, transparency and speed of operations. By applying this framework at a more granular level, each division can tailor strategies to its specific needs, ensuring consistent and focused performance organization wide.

Active portfolio management remains a key part of our performance culture and is integrated into the responsibilities of divisional management teams. While we are committed to acquisitions as a growth driver, it is not yet fully ingrained in our ways of working and this will continue to be a focus area going forward. This includes identifying areas for inorganic growth through acquisitions related to new segments, new market access, better economies of scale or filling technology gaps. The divisions also assess, based on systematic portfolio reviews, whether, ultimately, their division is the best owner of their different businesses.

In 2024, we accelerated this activity with bolt-on acquisitions and strategic partnerships led by our divisions, completing seven acquisitions and nine new venture capital investments, as well as eight follow-on investments, moving us closer to our target range of 1 to 2 percent of revenue growth through acquisitions. The Service Division in the Electrification Business area acquired the SEAM Group, which adds energy asset management and advisory services to clients across industrial and commercial building markets while the Process Automation business area completed three acquisitions, the largest being the acquisition of Födisch Group, in the Measurement & Analytics Division. The Motion business area also completed the integration of two previously announced acquisitions and announced the acquisition of the power electronics business of Gamesa Electric in Spain from Siemens Gamesa which will strengthen ABB's position in the growing market for high-powered renewable power conversion technology. Electrification also announced another sizeable acquisition. We have agreed to acquire the Wiring & Accessories business of Siemens in China, led by our Smart Buildings division, which will expand our market reach and enhance our regional customer offerings with a full range of safe and reliable smart building technologies.

ORDERS AND REVENUES

1. For alternative performance measures see chapter Alternative performance measures

→ For additional information and analysis about individual business area revenues and order performance, refer to the relevant sections of the business analysis in our Financial Report 2024.

Orders

In 2024, total orders remained stable versus last year's high level (increasing 1 percent comparable[1]). With electricity increasingly becoming the key power source, the Electrification business area saw strong order growth across most end markets, with particularly high demand from data centers and utilities, as well as growth in the buildings segment driven by commercial buildings, mainly in the United States. Orders in the Motion business area decreased 3 percent (2 percent comparable[1]) with customers looking to make operations more energy efficient by investing in high standards of electrical motors and drives, but at the same time held back by an overall muted industrial demand. Strong performance in the power generation segment was offset by declines in heavy, process-related industries such as chemical, oil & gas, metals and pulp & paper and cement and mining. Orders in the Process Automation business area also decreased compared to the prior year, when momentum for large orders was particularly strong. That said, the underlying market activity level remained robust with customers looking for ABB to support them in their journey towards decarbonization of heavy industries. This year, the customer activity was strongest in marine & ports, although overall orders declined due to the timing of large projects in the prior year. Strength was also noted in the low carbon segments and conventional power generation. Orders in the Robotics & Discrete Automation business area declined sharply. In the Machine Automation division orders declined as industrial automation demand slowed, coupled with machine builders adjusting orders after higher-than-usual pre-ordering during past supply chain disruptions. The robotics segment declined, driven mainly by fewer investments in the automotive sector and consumer electronics, while positive momentum was reported in logistics and general industry.

In 2024, orders decreased 3 percent in the Americas (1 percent comparable[1]), driven mainly by the recording of two large orders in the U.S. totaling $435 million in 2023. Despite this impact, underlying demand in 2024 remained strong in the United States, while orders decreased in Canada and Mexico, but increased in Brazil. In Europe, orders were flat (flat comparable[1]). Orders were higher in Germany, Sweden, Finland and the Netherlands while they declined in Italy, Norway and the United Kingdom. In Asia, Middle East and Africa, orders increased 2 percent (5 percent comparable[1]). Orders declined in China but were more than offset by strong order growth in markets such as Australia, Japan and the United Arab Emirates.

Revenues

In 2024, revenues increased by 2 percent (3 percent comparable[1]), primarily driven by volume growth, with additional support from positive price. Strong conversion of our order backlog into revenue supported growth, driven by the Process Automation and Electrification Business areas, with the latter also positively impacted by increased short-cycle demand. Revenue was broadly stable in the Motion Business area with positive impacts from pricing offset by negative volumes driven mainly by declines in the short-cycle businesses. In the Robotics & Discrete Automation Business area, as well as the E-mobility Division, revenues declined sharply as underlying markets remained weak, consistent with the slowdown in orders.

In 2024, revenues increased 6 percent in the Americas (8 percent comparable[1]), where revenues in the United States increased 8 percent (9 percent comparable[1]). Revenues in the Americas also experienced strong growth in Canada and Chile. In Europe, revenues declined 4 percent (4 percent comparable[1]). Revenues were higher in Switzerland, Norway, Spain and the United Kingdom while they declined in Germany, Italy and Sweden. In Asia, Middle East and Africa, revenues increased 4 percent (7 percent comparable[1]) compared to 2023. Revenues grew in India, Saudi Arabia, Australia, and Singapore, partially offset by a decline in China of 4 percent (2 percent comparable[1]).

GROWTH

Change year-on-year	FY 2024 Orders	FY 2024 Revenues
Comparable	1%	3%
FX	-1%	-1%
Portfolio changes	0%	0%
Total	**0%**	**2%**

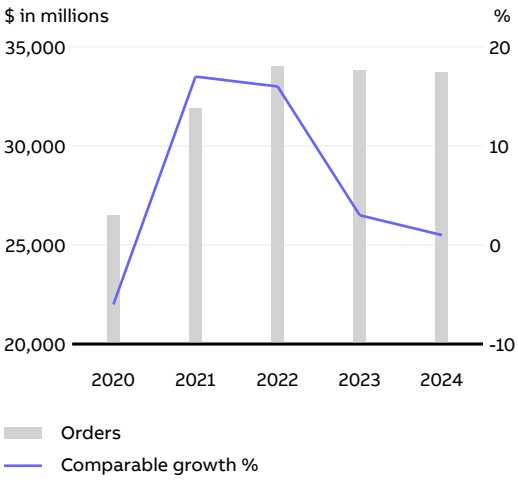
ORDERS BY REGION

($ in millions, unless otherwise indicated)	FY 2024	FY 2023	Change US$	Change Comparable[1]
Europe	11,454	11,458	0%	0%
The Americas	12,110	12,437	-3%	-1%
Asia, Middle East and Africa	10,126	9,923	2%	5%
ABB Group	**33,690**	**33,818**	**0%**	**1%**

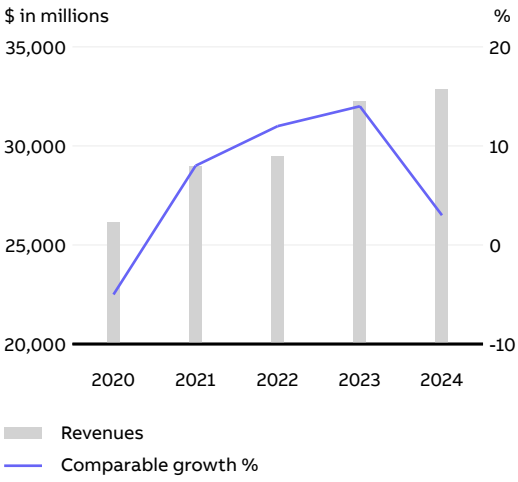
REVENUES BY REGION

($ in millions, unless otherwise indicated)	FY 2024	FY 2023	Change US$	Change Comparable[1]
Europe	11,119	11,568	-4%	-4%
The Americas	11,805	11,090	6%	8%
Asia, Middle East and Africa	9,926	9,577	4%	7%
ABB Group	**32,850**	**32,235**	**2%**	**3%**

ORDERS



REVENUES



EARNINGS

1. Constant currency (not adjusted for portfolio changes).
2. For non-GAAP measures see chapter Alternative performance measures.

Gross profit
Gross profit increased by 9 percent (10 percent in constant currency[1]) to $ 12,274 million in 2024, resulting in a gross margin improvement of 260 basis points to 37.4 percent. Gross profit improved in three out of four business areas, with Electrification and Process Automation reporting double-digit growth driven by both volume and price. Motion improved at a mid-single digit rate driven by structural improvements in the long-cycle businesses offsetting lower volumes in the short-cycle. The Robotics & Discrete Automation business area declined driven by lower volumes as backlogs normalized and a weak underlying market.

Income from operations
Income from operations in 2024 amounted to $5,071 million, representing an increase of 4 percent from $4,871 million in the prior year. The improvement was primarily driven by stronger operational performance, as well as additional support from lower restructuring and related expenses which more than offset the adverse impact from portfolio changes, as the current year's results were impacted by a charge of approximately $90 million due to the E-mobility business reducing its ownership in a subsidiary to a minority stake. In contrast, 2023 results were supported by gains of $101 million from the sale of businesses, including the divestment of the Power Conversion business. We also recorded higher losses for fair value changes in various equity investments compared to gains in 2023.

Operational EBITA
In 2024, Operational EBITA increased by 10 percent (11 percent in constant currency) to $5,968 million and the Operational EBITA margin[2] was up by 120 basis points to 18.1 percent. The expansion was driven by operating leverage on higher volumes and additional impacts from implemented price increases as well as lower underlying corporate costs. Combined these impacts more than offset some higher expenses related to Selling, General & Administrative expenses and Research & Development. Operational EBITA in Corporate and Other amounted to -$424 million, of which -$273 million related to the E-mobility business which was negatively impacted by inventory related impairments as well as technology investments geared towards a more focused product strategy to secure a continued market leading position.

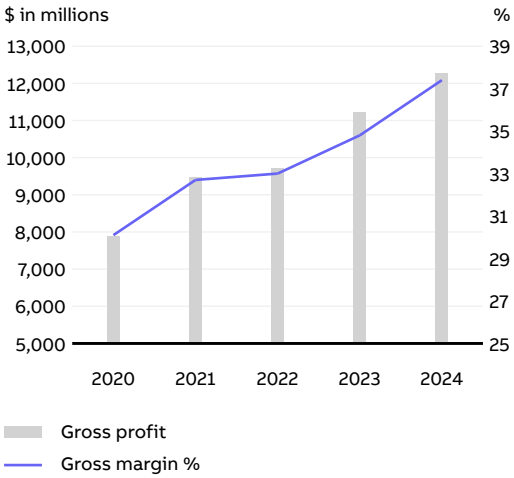
Net finance expenses and non-operational pension credits
In 2024, interest and finance expenses dropped significantly, while interest and dividend income increased, resulting in a net finance income of $107 million, representing an improvement of $217 million compared to the prior year. The year-on-year improvement is mainly driven by a combination of a lower net debt position and favorable mix of interest rates between borrowings and cash deposits as well as lower foreign exchange losses.

Non-operational pension credits increased by $38 million to $55 million compared to the same period last year, mainly driven by lower curtailment and settlement costs and lower interest costs on the benefit obligation.

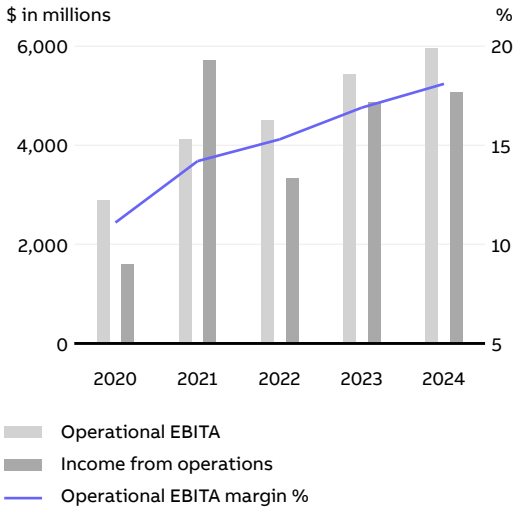
Income tax
In 2024, the effective tax rate increased to 24.4 percent from 19.5 percent in 2023. In 2024, the increase in the effective tax rate was primarily driven by the geographical mix of earnings, resulting in a negative impact of approximately 2 percentage points. The effective tax rate was also positively impacted by favorable reassessments of uncertain tax provisions of approximately 3 percentage points, while in 2023 the respective benefit was approximately 4 percentage points.

Net income and earnings per share
Net income attributable to ABB was $3,935 million and increased by 5 percent. Basic earnings per share was $2.13 and increased by 6 percent. The increase was driven by improved operational performance offsetting higher adverse impacts from non-operational items than in 2023 as discussed above.

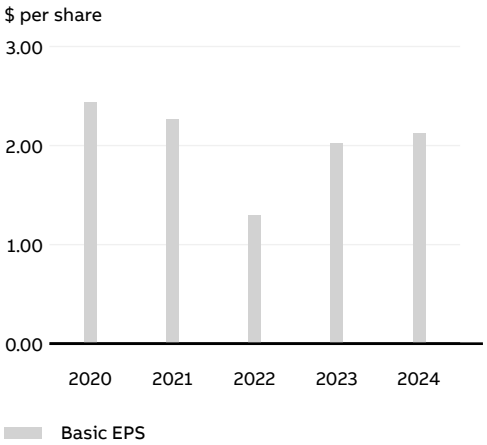
GROSS PROFIT AND GROSS MARGIN



INCOME FROM OPERATIONS AND OPERATIONAL EBITA



BASIC EPS



BALANCE SHEET

1. For non-GAAP measures see chapter Alternative performance measures

Net working capital
Net working capital amounted to $2,830 million, decreasing year-on-year from $3,257 million driven by the favorable impact from changes in exchange rates combined with an increase in trade payables and higher customer advances, more than offsetting the increase in receivables. Net working capital as a percentage of revenues[1] decreased from 10.2 percent at the end of 2023 to 8.6 percent at the end of 2024.

Capital expenditures
Purchases of property, plant and equipment and intangible assets amounted to $845 million in 2024 compared with $770 million in the same period last year.

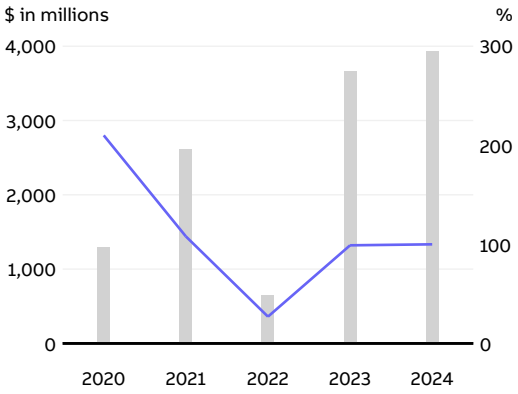
Cash flows
In 2024, cash flows from operating activities generated net cash of $4,675 million, up from $4,290 million in 2023. Three out of four business areas reported improved cash flows from operations, driven by stronger earnings and a reduction in net working capital compared to the prior year. Free cash flow[1] increased by $270 million to $3,937 million, with an FCF conversion to net income[1] of 100 percent.

Return on Capital Employed
The Group's benchmark for the measurement of returns is Return on Capital Employed (ROCE)[1] which increased by 180 basis points from 21.1 percent to 22.9 percent in 2024. The main driver of the improvement was higher Operational EBITA compared with 2023.

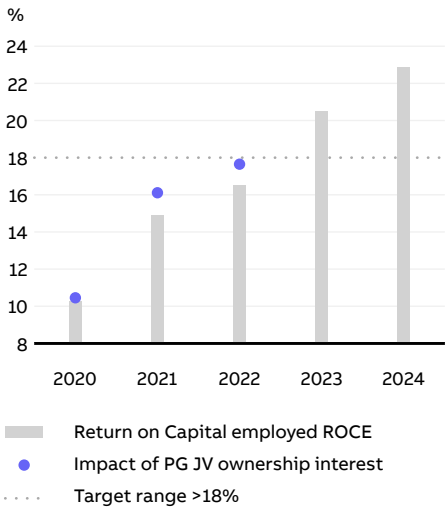
Net debt
During 2024, although we continued to return cash to shareholders in the form of dividends and purchases of treasury stock, we reduced our net debt (as presented in the table below) driven by continued strong cash from operating activities. During 2024, our net debt decreased $706 million to a net debt position of $1,285 million at December 31, 2024. The effect of exchange rate movements decreased net debt by approximately $200 million. In 2024, we generated free cash flows of $ 3,937 million and sold treasury stock in relation to our employee share plans for $451 million. These items were partly offset by amounts for purchases of treasury shares of $1,247 million, including $1 billion relating to the announced buybacks of our shares, as well as $1,769 million for the payment of the dividend to our shareholders. We made payments related to acquisitions totaling $622 million.

($ in millions, unless otherwise indicated)	December 31 2024	2023
Short-term debt and current maturities of long-term debt	293	2,607
Long-term debt	6,652	5,221
Total debt	**6,945**	**7,828**
Cash & equivalents	4,311	3,891
Restricted cash – current	15	18
Marketable securities and short-term investments	1,334	1,928
Cash and marketable securities	**5,660**	**5,837**
Net debt (cash)	**1,285**	**1,991**

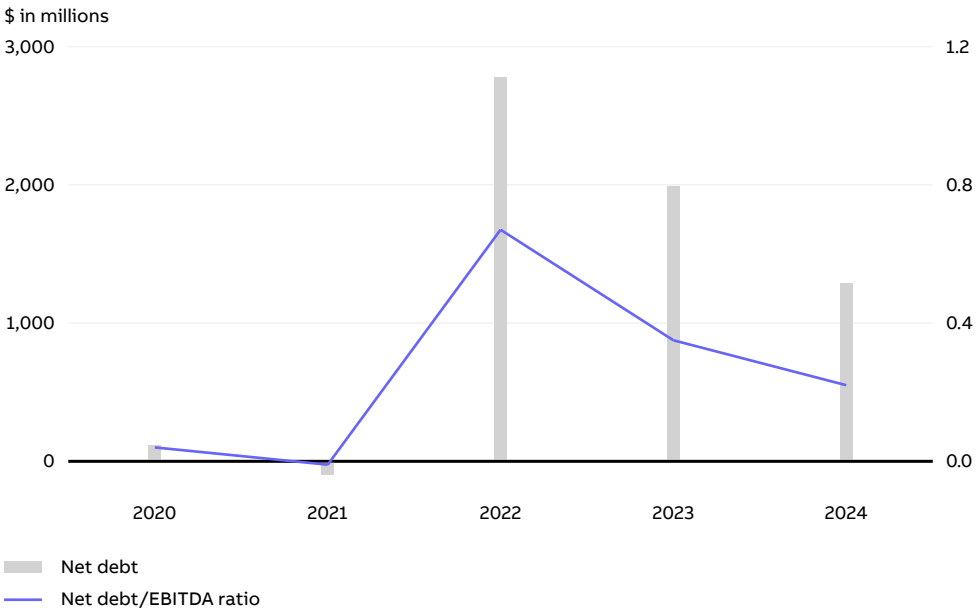
FREE CASH FLOW AND CONVERSION RATE



RETURN ON CAPITAL EMPLOYED (ROCE)



NET DEBT



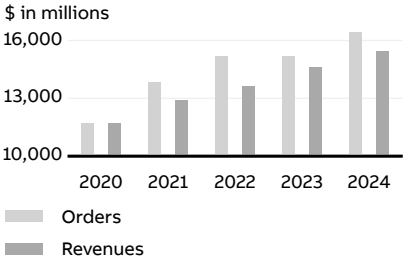
PERFORMANCE OF BUSINESS AREAS

ELECTRIFICATION

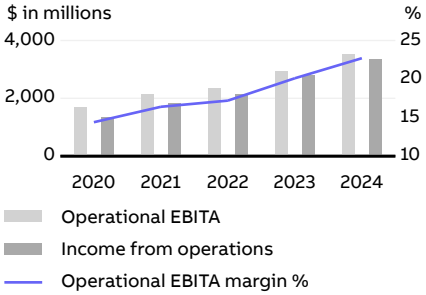
KEY FIGURES

($ in millions, unless otherwise indicated)	FY 2024	FY 2023	Change US$	Change Comparable
Orders	16,422	15,189	8%	10%
Order backlog	7,506	6,808	10%	15%
Revenues	15,448	14,584	6%	9%
Operational EBITA	3,520	2,937	20%	
as % of operational revenues	22.7%	20.1%	+2.6 pts	
Cash flow from operating activities	3,652	3,211	14%	
No. of employees (FTE equiv.)	51,700	50,300	3%	

ORDERS AND REVENUES



INCOME FROM OPERATIONS AND OPERATIONAL EBITA

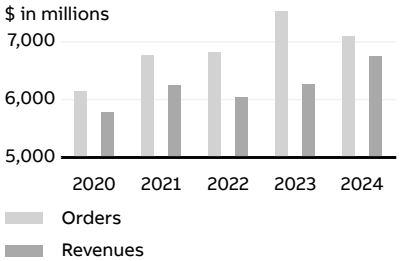


PROCESS AUTOMATION

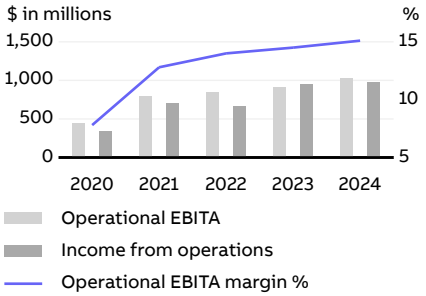
KEY FIGURES

($ in millions, unless otherwise indicated)	FY 2024	FY 2023	Change US$	Change Comparable
Orders	7,106	7,535	-6%	-5%
Order backlog	7,437	7,519	-1%	4%
Revenues	6,756	6,270	8%	9%
Operational EBITA	1,025	909	13%	
as % of operational revenues	15.1%	14.5%	+0.6 pts	
Cash flow from operating activities	1,158	1,002	16%	
No. of employees (FTE equiv.)	22,500	21,100	6%	

ORDERS AND REVENUES



INCOME FROM OPERATIONS AND OPERATIONAL EBITA

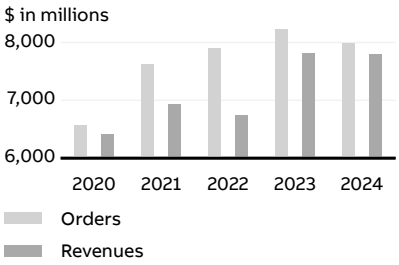


MOTION

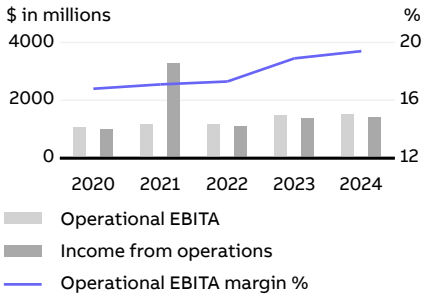
KEY FIGURES

($ in millions, unless otherwise indicated)	FY 2024	FY 2023	Change US$	Change Comparable
Orders	7,989	8,222	-3%	-2%
Order backlog	5,239	5,343	-2%	4%
Revenues	7,787	7,814	0%	0%
Operational EBITA	1,518	1,475	3%	
as % of operational revenues	19.4%	18.9%	+0.5 pts	
Cash flow from operating activities	1,776	1,532	16%	
No. of employees (FTE equiv.)	22,400	22,300	1%	

ORDERS AND REVENUES



INCOME FROM OPERATIONS AND OPERATIONAL EBITA

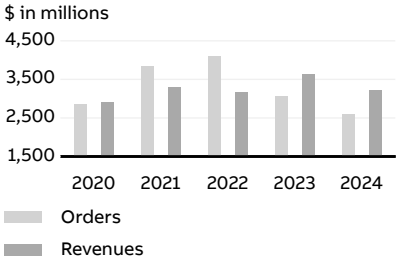


ROBOTICS & DISCRETE AUTOMATION

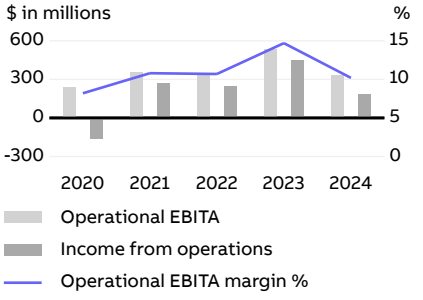
KEY FIGURES

($ in millions, unless otherwise indicated)	FY 2024	FY 2023	Change US$	Change Comparable
Orders	2,596	3,066	-15%	-15%
Order backlog	1,447	2,141	-32%	-29%
Revenues	3,213	3,640	-12%	-11%
Operational EBITA	329	536	-39%	
as % of operational revenues	10.2%	14.7%	-4.5 pts	
Cash flow from operating activities	315	436	-28%	
No. of employees (FTE equiv.)	10,800	11,300	-4%	

ORDERS AND REVENUES



INCOME FROM OPERATIONS AND OPERATIONAL EBITA



OUTLOOK

Looking to 2025, we will continue to deliver on our strategy of driving the ABB Way operating model further into our divisions, whereby generating additional long-term accountability, transparency and speed. Our strong balance sheet supports acquisitions, and we are gaining some momentum in this area. Based on the deals we have already announced but not yet completed, we should approach our long-term target range for acquired growth. In addition, we intend to continue with share buybacks in line with our capital allocation principles. We acknowledge some market uncertainty and what currently seems to be an adverse impact on reported numbers from changes in exchange rates mainly due to the appreciation of the USD. That said, in full-year 2025, we expect a positive book-to-bill, comparable revenue growth in the mid-single digit range and the Operational EBITA margin to improve year-on-year.

We create value through world-class technology

Our significant R&D investments and highly skilled workforce enable us to continuously evolve our offering to remain a relevant and trusted partner for our customers. Technology and innovation are key to our long-term success. We are committed to staying ahead by developing world-class technologies that transform industries to reach new levels of performance and sustainability.

You are here in the value creation model.

HIGHLIGHTS

>$1.4 billion
R&D investment in 2024

4.5%
revenues invested in R&D in 2024

~7,800
R&D employees

>750
priority patents filed in 2024

~22k
Granted patents

~6k
Pending patent applications

9
venture investments in 2024

~$50 million
venture investments in 2024

~2,000
secondary patents filed in 2024

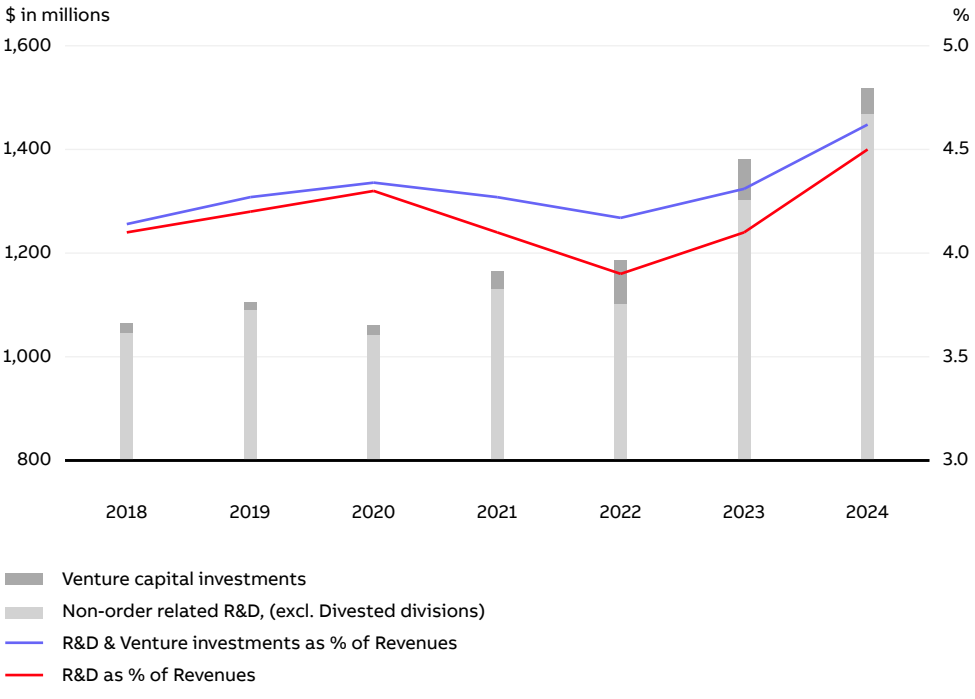
OUR APPROACH TO R&D

At ABB, our R&D is driven by our 19 divisions and focuses on developing and commercializing technologies that are strategically important for our future growth. As of December 31, 2024, we had approximately 7,800 employees working in R&D centers across ~30 countries on six continents, with over half dedicated to digital and software development. Women represent 13.9 percent of our R&D workforce.

We invest a significant portion of our annual revenues in R&D. In line with our commitment to sustained innovation, we have increased our R&D spending by approximately 40 percent since 2020, and have set an ambition to increase our R&D as a percentage of revenues to between 4.5% to 5%. In 2024, we invested $1,469 million, or approximately 4.5 percent of our consolidated revenues, in R&D activities, marking a 12 percent increase year-on-year. Additionally, we invest each year in order-related development activities – customer- and project-specific efforts to develop or adapt equipment and systems to meet unique customer requirements. R&D spend by division in our business areas ranges from 1 to 10 percent of revenues, as each division is different and has different investment needs to maintain market leadership. This strategic allocation ensures that resources are used effectively to support growth and innovation. We seek to maintain a balance between short- and long-term R&D programs and optimize our return on investment. We keep control of our innovations by holding patents, copyrights and other intellectual property protections.

To complement our business-focused product development, our businesses invest jointly in collaborative research activities covering multiple technology areas including artificial intelligence (AI), software, sensors, control and optimization, mechatronics and robotics, power electronics, communication technologies, materials and manufacturing, electrodynamics and electrical switching technologies. In this way, we advance technologies that are used in our products and common technology platforms and apply them to multiple product lines.

R&D AND VENTURE CAPITAL INVESTMENTS



Investments in digital solutions and artificial intelligence

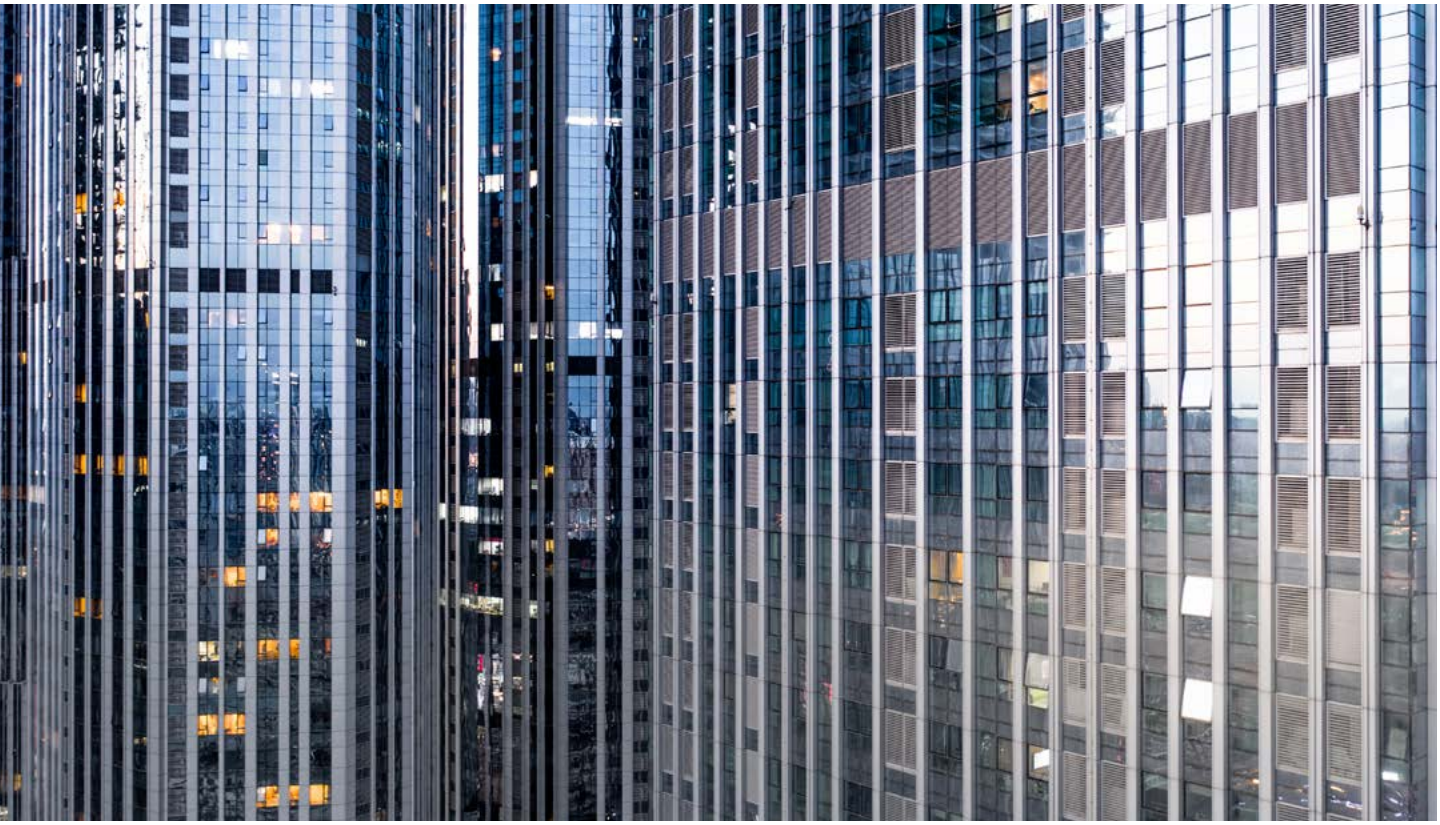
In line with our decentralized ABB Way operating model, ABB's digital strategy is both customer-driven and business-led. Today, a significant proportion of our product portfolio contains embedded software, increasingly enhanced by AI. We call this digitally and AI-enabled technologies. This offering is complemented by advanced software applications that can be applied in almost any industrial setting. Our main digital platform is ABB Ability™, which is also the brand name of our digital solutions offerings. Our advanced software applications comprise scalable software solutions, developed primarily through organic growth initiatives, and complemented with venture investments and bolt-on acquisitions. This offering centers on six key value pillars: sustainability, operational excellence, process performance management, asset performance management, cyber security, and extended automation software updates. Some of our flagship advanced software applications include:

- ABB Ability Genix
- ABB Ability™ Digital Powertrain
- ABB Ability™ Energy Manager
- RobotStudio®

Delivering "value through software" we make our core electrification and automation offerings more secure and more connected. Leveraging ABB's global footprint and extensive installed base, we gain deep industry insights that enable us to develop software, and digital solutions close to the automation layer and product level to help our customers optimize energy production and use, optimize assets and processes and optimize how people work.

This year, ABB introduced ABB Ability™ Genix Copilot, a generative AI solution developed in collaboration with Microsoft to drive efficiency, productivity, and sustainability in industrial operations. Powered by Azure OpenAI Service and leveraging GPT-4, Genix Copilot integrates real-time operational data with natural language capabilities to deliver actionable insights. By embedding these features into its digital solutions, ABB enables industries to optimize asset performance, reduce emissions, and enhance energy efficiency. Early use cases demonstrate its impact in predictive maintenance, troubleshooting, and sustainability management, underscoring ABB's commitment to innovation and value creation.

Other AI-focused offerings include ABB Ability™ Efficiency AI, a smart buildings solution that uses AI to optimize heating, ventilation and air conditioning (HVAC); and ABB Ability Digital Powertrain, which uses AI to detect anomalies in motors.



Strategic partnerships, business ventures, and M&A

Universities are incubators of future technology, and our R&D teams collaborate with multiple universities and research institutions to build research networks and foster new technologies which we potentially invest in and sometimes acquire. We believe these collaborations put us in a good position to add new technology to our existing portfolio. Our university collaborations include long-term, strategic relationships with leading institutions in various countries around the world facilitating recruitment and training of new talent.

To enhance our innovation efforts and gain speed, our divisions partner with other leading companies which have complementary competencies, and we invest in and collaborate with startups around the world through our venture capital arm, ABB Technology Ventures, and our start-up collaboration hub, SynerLeap. We act as a catalyst to push innovative entrepreneurs to success and bring benefits to ABB customers and society in the wider sense.

In 2024, we made 9 new venture investments, and 8 follow on investments for a total investment of approximately $50 million across our four business areas. The investments were driven by the divisions and focused primarily on digital capabilities including AI that will create synergies with our offering of digitally enabled products and services. We invested in two clean technology start-ups – Ndustrial and GridBeyond – offering AI powered solutions for real time optimized energy consumption for accelerated decarbonization as well as optimized distributed energy resources and industrial loads. In addition, we made a follow-on investment to strengthen our partnership with Pratexo to co-develop edge computing solutions to improve security, autonomy and resilience for decentralized electrical networks.

M&A is another way that we sustain and enhance our technology leadership. We have increased the number and size of bolt-on acquisitions to bolster our portfolio. A key example is our acquisition of Födisch Group, which enhances our capabilities in continuous emission monitoring with advanced gas and dust measurement solutions. This strategic move supports precise emission tracking strengthening our global leadership in continuous emission monitoring. Another example is our acquisition of the shipping business of DTN Europe BV and DTN Philippines Inc., which expands our marine software offerings to include vessel weather routing, analytics, reporting, and shore-based support. This strategic move positions us as a market leader in ship route optimization, enabling us to provide comprehensive digital solutions that enhance operational efficiency and support maritime decarbonization efforts.

Patents

Intellectual property rights are crucial to protect the assets of our business. Over the past ten years, we have added a substantial number of new applications to our existing first patent filings and we will continue to seek patent protection for our technologies, products and solutions. As of December 31, 2024, we have a portfolio of approximately 28,000 pending patent applications and granted patents, of which approximately 6,000 are pending applications. This portfolio includes approximately 3,600 utility models and design rights, of which approximately 160 are pending applications. In 2024, we filed over 750 priority patents, utility model and design applications, each covering a unique invention or unique angle on an invention. Additionally, we filed approximately 2,000 secondary patents, utility model and design applications, each extending the coverage of a previously filed priority application.

Based on our existing intellectual property strategy, we believe that we have adequate control over our core technologies. The “ABB” trademarks and logo are protected in all of the countries in which we operate. We proactively assert our intellectual property rights to safeguard the reputation associated with ABB’s technology and brand. While these intellectual property rights are fundamental to all of our businesses, there is no dependency of the business on any single patent, utility model or design application.

INNOVATIONS

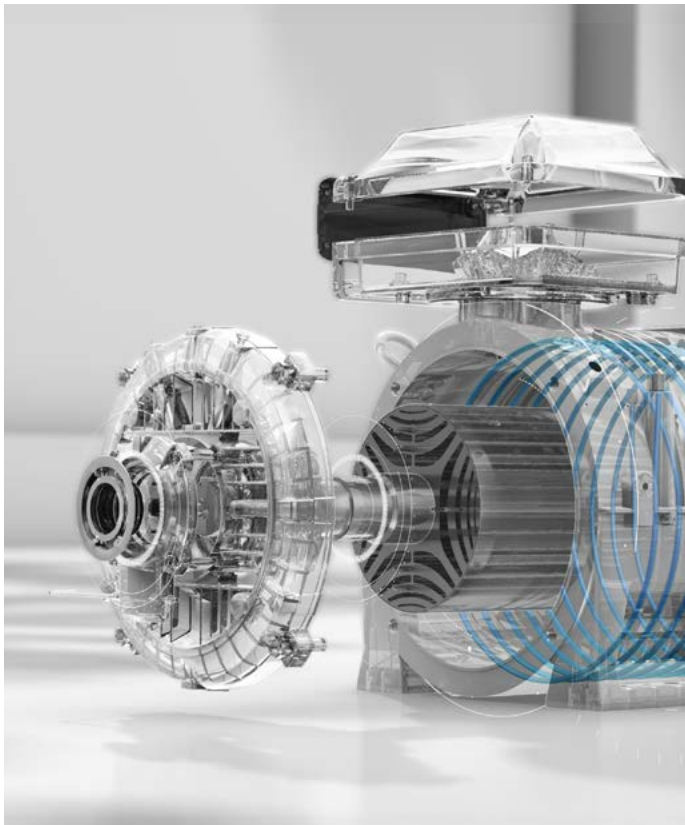
Innovation is at the core of ABB's purpose to enable a more sustainable and resource-efficient future. This year, we advanced technologies that enhance reliability and efficiency, helping industries navigate change while aligning with our long-term vision for smarter, more sustainable operations.

ABB pioneers advanced cable protection solution crafted from discarded ocean fishing nets
ABB is innovating solutions for increasing the life span of cables used across energy, transportation, automation, and chemical processing industries, where protection is needed against mechanical stress, chemicals, moisture, and UV exposure. ABB's PMA EcoGuard™ is a more sustainable cable protection solution made from recycled fishing nets. The recycled material has led to approximately 30 percent savings in CO_2e emissions and 50 percent reduction in use of net fresh water.

EcoGuard cable protection stands out for its high performance and durability, ensuring long-term protection while minimizing the need for frequent replacements and reducing waste. The system's ease of installation and resistance to wear contribute to its efficiency and sustainability, making it a cost-effective solution over time. With innovations like the EcoGuard solution, ABB continues to minimize the need for frequent replacements, thereby preserving resources and reducing waste.

ABB achieves a world-first with liquid-cooled IE5 SynRM motor that sets the benchmark for energy efficiency and high power output
ABB has achieved a world-first with its liquid-cooled IE5 SynRM (Synchronous Reluctance Motor), setting a new benchmark for energy efficiency and high power output. This innovative motor offers superior performance while reducing energy consumption, making it ideal for high-demand industrial applications like pumps, fans and compressors.

The liquid cooling system significantly enhances the motor's efficiency by dissipating heat more effectively than traditional air-cooling methods. This allows the IE5 SynRM to operate at an IE5 efficiency level, the highest standard for industrial motors, while providing greater power density and reducing overall energy usage. As a result, the motor lowers operational costs and helps companies meet sustainability goals by reducing their carbon footprint.



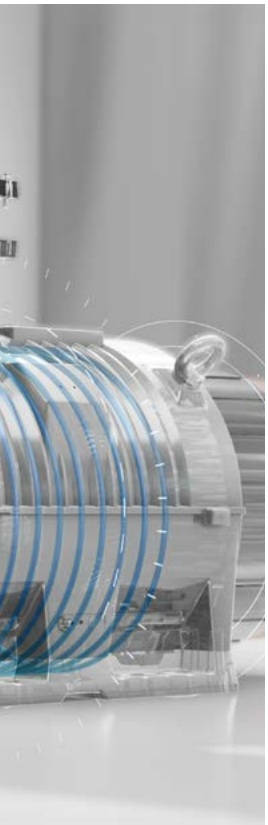
The IE5 SynRM also features advanced materials and design, ensuring optimal performance in demanding environments. It supports smooth integration into existing industrial systems, offering a more sustainable solution without requiring major infrastructure changes. This technology is a significant leap toward energy-efficient automation and helps industries reduce their environmental impact while maintaining high levels of productivity.

ABB's liquid-cooled IE5 SynRM is a game-changing development in the field of energy-efficient motors, demonstrating the company's leadership in sustainable technologies. This innovation not only delivers high power output but also sets a new standard for the future of industrial electrification, contributing to the global push for decarbonization.

ABB is first to reach anticipated IE6 hyper-efficiency with magnet-free motors – IE6

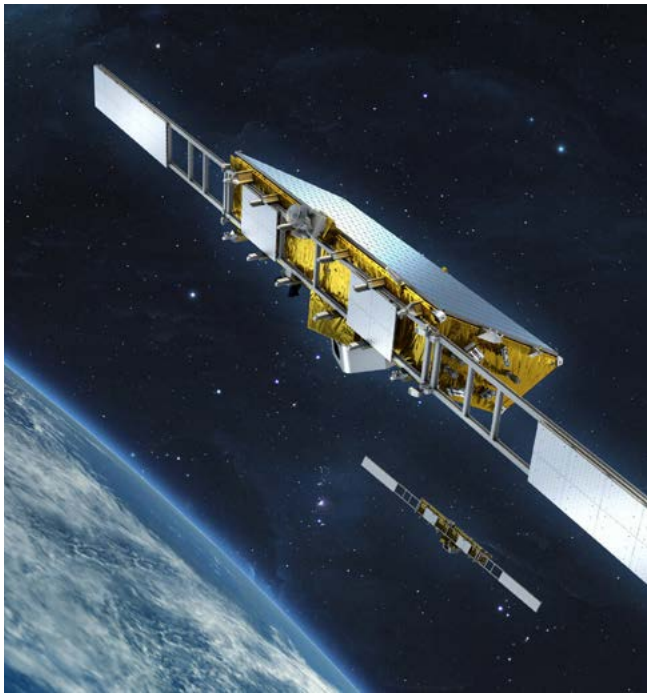
ABB has become the first company to achieve the anticipated IE6 hyper-efficiency standard with its magnet-free motors, marking a significant milestone in energy efficiency and sustainability. These motors surpass the IE5 efficiency class and are designed to deliver greater performance while reducing energy consumption and carbon emissions.

The IE6 motors are built without the use of rare-earth magnets, which makes them both cost-effective and more sustainable, as they rely on more readily available materials. This innovation is especially important in industries that rely heavily on electric motors, as it helps to reduce operational costs and contributes to lower carbon footprints in applications like pumps, fans, and compressors.



In addition to their superior efficiency, ABB's magnet-free motors are designed for easy integration into existing industrial systems, ensuring businesses can transition to more sustainable technologies without major infrastructure changes. The motors provide excellent performance in demanding applications while supporting global energy transition goals.

This achievement represents ABB's ongoing commitment to sustainable innovation and sets a new standard for energy-efficient solutions. With the IE6 motors, ABB is advancing the global push for decarbonization while helping industries achieve lower energy costs and reduce their environmental impact. This milestone further solidifies ABB's leadership in electrification technologies and sustainable industrial solutions.



European Space Agency's Harmony mission to rely on ABB infrared instruments

German space and technology company OHB System AG is working with ABB on developing and building the thermal infrared payloads for the European Space Agency's (ESA) Earth Explorer Harmony satellites, planned to launch in 2029. ABB will equip the two satellites with multispectral thermal infrared payloads capable of measuring a wide range of environmental parameters, including sea surface temperature and the position of clouds and their motion.

ABB's technology will enable ESA to measure cloud position and motion from space, ensuring radiometric precision – the accuracy of the temperature measurement obtained by the infrared instruments compared to that of the true surface temperature (whether cloud or sea). The data collected by the mission will help the advancement of climate science as well as support the understanding and forecasting of extreme weather such as hurricanes. In addition, over land, Harmony will provide information to estimate small shifts in the shape of the land surface, such as those leading to and resulting from earthquakes and volcanic activity.

The combination of thermal and radar imagery will help provide a wide array of data, giving more insight into upper-ocean heat exchanges, drivers of extreme weather, and the long-term impact of climate change. The mission will also provide new information for a better understanding of how ice being lost from glaciers is affecting sea level rise.

OmniCore
ABB has launched its next-generation robotics control platform, OmniCore™, designed to improve automation and enhance productivity across industries. OmniCore offers advanced performance, flexibility, and connectivity features, enabling precise control and integration of robotic systems for a variety of applications, from manufacturing to logistics.

Key features of OmniCore include its ability to handle complex tasks with high precision, support for multiple robot types, and intuitive user interfaces. The platform is built for scalability, allowing businesses to easily expand and adapt their robotic systems as needs evolve. OmniCore's connectivity features enable real-time data exchange, supporting predictive maintenance and seamless integration with other automation technologies, improving efficiency and reducing downtime.

OmniCore also supports sustainability goals by optimizing energy use and reducing resource consumption during production processes. The platform is designed to boost the flexibility of automation systems, enabling faster adaptation to new tasks and changing production requirements. It provides companies with the tools to optimize their robotic systems and stay competitive in an increasingly automated world.

SF_6-free switchgear
ABB has introduced the next generation of SF_6-free switchgear solutions, using dry air or natural origin gas technology for up to 24 kV, which will be commercially available in 2025. Gas Insulated Switchgear (GIS) is used in space-constrained urban areas, coastal regions, high altitude and polluted, harsh environments thanks to its compact and robust design. Traditionally, GIS used sulfur hexafluoride (SF_6) as the insulating medium due to its excellent electrical insulating properties and high electronegativity. However, due to its potency as a greenhouse gas and EU legislation banning the use of fluoride gases, companies are transitioning away from SF_6. ABB has developed SF_6-free products that use the same user interface, footprint, proven components and operation as its existing SF_6 portfolio. Electrification Distribution Solutions partners with businesses to navigate these regulatory changes with our next-generation SF_6-free switchgear and support utilities and industries on their decarbonization and energy transition journey.

ABB creates world's first medium voltage, speed-controlled motor concept, facilitating industry's contribution to a low carbon world
ABB has developed the world's first medium-voltage speed-controlled motor concept – MV Titanium, designed to help industries reduce their carbon footprint and contribute to a low-carbon world. This innovative motor combines ABB's advanced variable speed drive technology with a medium-voltage motor, enabling precise control over motor speed and energy efficiency. It offers industries significant improvements in energy savings and operational performance, particularly in high-demand sectors like pumps, fans, and compressors.

By adjusting motor speed to match real-time requirements, the new concept minimizes energy waste and optimizes power consumption, significantly reducing CO_2 emissions. It also reduces the obstacles and costs related to installing a separate motor and drive package, including the associated electrical house (e-house), transformers, switchgear and cabling that multiplies the capital cost and increases the complexity of installation, especially on existing sites where space is at a premium.

This innovation also helps companies meet sustainability goals while improving the efficiency and reliability of their operations. ABB's medium-voltage speed-controlled motor is a key step in the company's efforts to promote decarbonization and drive the transition to more sustainable industrial processes.

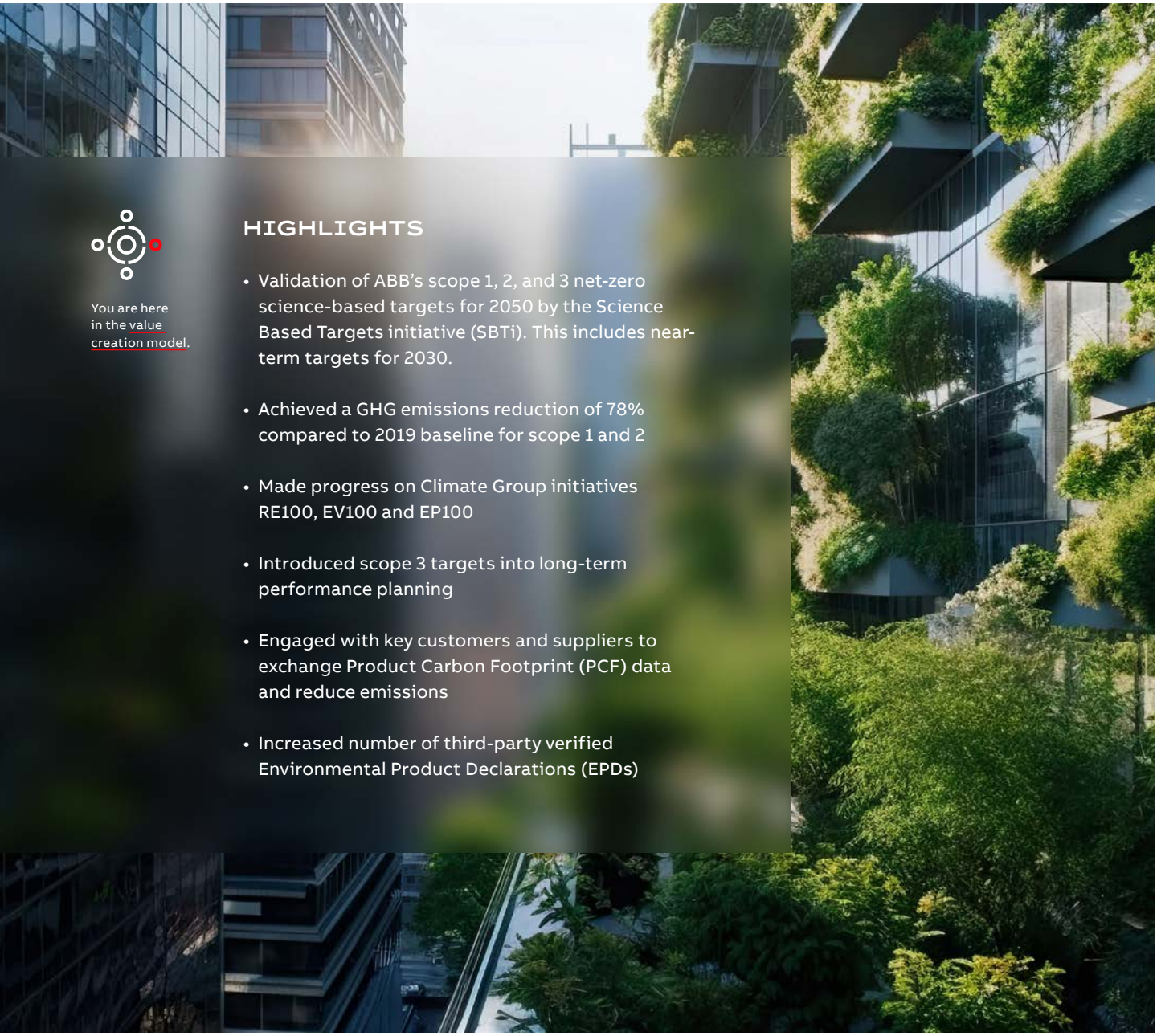
With this groundbreaking technology, ABB continues to lead in the development of eco-friendly solutions that support industries in reducing their environmental impact while maintaining high performance and productivity.

OUTLOOK

We will continue to focus on technology leadership and further invest in our R&D capabilities, patents and trademarks. We plan to maintain our R&D spend in the range of 4.5–5.0 percent of revenues. One of our planned actions for 2025 includes the sixth ABB Electrification Start-up Challenge which will run until April 2025. Other business areas will also announce further start-up challenges in the coming months.

We enable a low-carbon society

Enabling a low-carbon society is at the center of our purpose and value proposition and a key pillar of our Sustainability Agenda. ABB continued its efforts and achievements in helping customers reduce and avoid emissions through our products, solutions and services. At the same time we have made progress in reducing emissions in our own operations and across our value chain.



You are here in the value creation model.

HIGHLIGHTS

- Validation of ABB's scope 1, 2, and 3 net-zero science-based targets for 2050 by the Science Based Targets initiative (SBTi). This includes near-term targets for 2030.
- Achieved a GHG emissions reduction of 78% compared to 2019 baseline for scope 1 and 2
- Made progress on Climate Group initiatives RE100, EV100 and EP100
- Introduced scope 3 targets into long-term performance planning
- Engaged with key customers and suppliers to exchange Product Carbon Footprint (PCF) data and reduce emissions
- Increased number of third-party verified Environmental Product Declarations (EPDs)

ABB'S MANAGEMENT AND TARGETS

→ More information on our climate-related risk and opportunity management can be found in our Sustainability Statement 2024.

ABB's value chain, from raw material extraction to end-of-life, impacts climate change. Manufacturing, assembly and logistics from our own operations contribute directly to greenhouse gas (GHG) emissions. We mitigate this through energy-efficient processes, use of renewable energy, sustainable upstream practices and supplier engagement. Our biggest GHG emissions footprint lies in our value chain through indirect emissions, scope 3. Particularly, the use of products sold is the largest contributor to our emissions, covering about 96 percent of our total emissions, followed by emissions from purchased goods and services, while our scope 1 and 2 emissions account for less than 1 percent of total emissions. At the same time, our technologies enhance customers' energy efficiency, leading to emissions reductions, and are at the core of accelerating the energy transition. ABB's central value proposition to our customers is providing products and services that optimize, electrify and decarbonize while making how we move, produce, work and live more sustainable overall. We enable the fundamental transformation of many industries.

Our efforts to enable a low-carbon society focus on three areas:

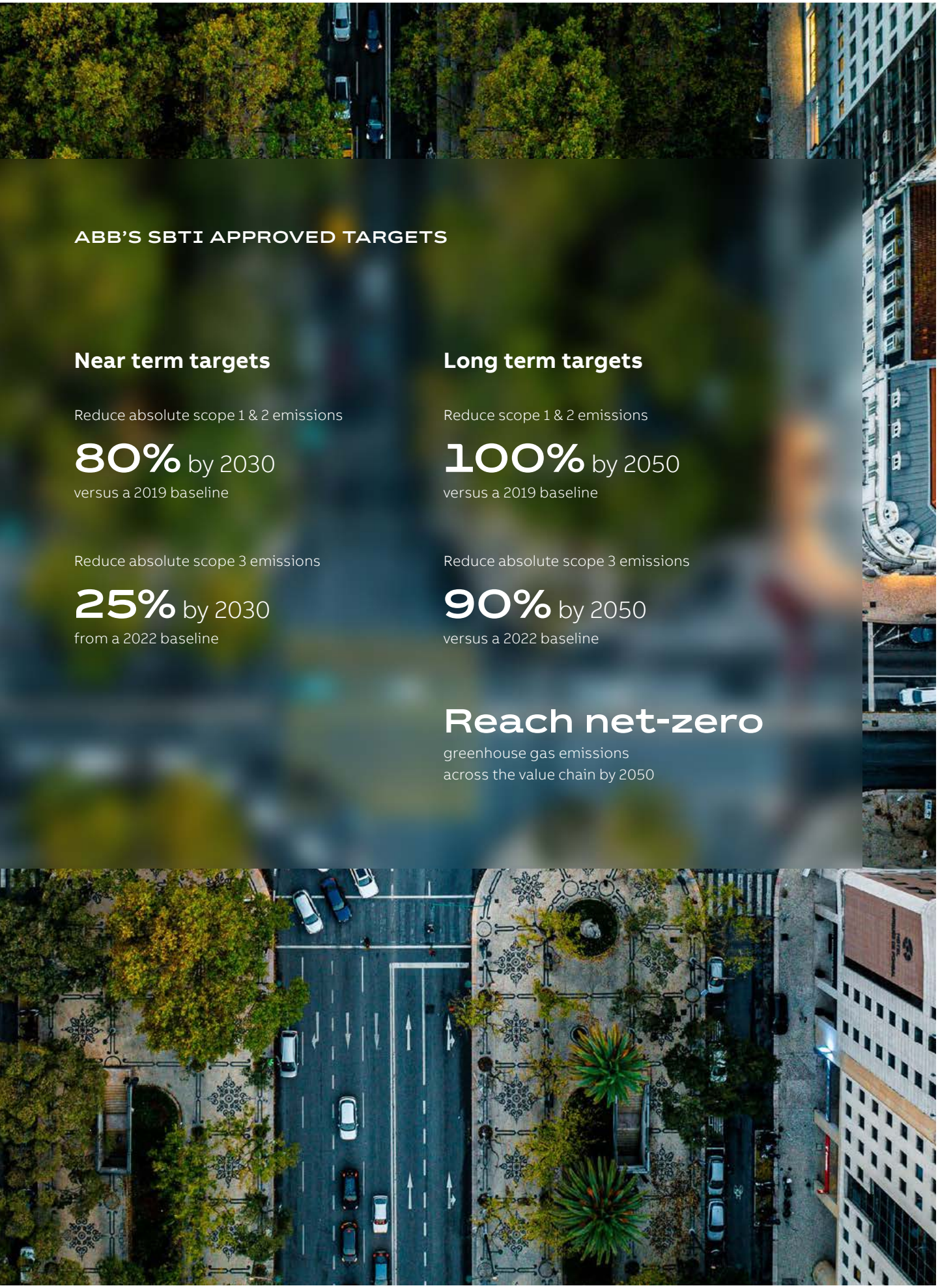
- reducing GHG emissions in our own operations;
- collaborating with our suppliers to reduce their emissions; and
- supporting our customers to reduce and avoid emissions through the use of our products, solutions and services.

Under ABB's Sustainability Agenda, we submitted updated targets to the Science Based Targets initiative (SBTi) for scope 1, 2, and 3 for 2030 and 2050. These targets were validated by the SBTi for both our operations and our upstream and downstream value chain emissions. In line with the SBTi Net-Zero Standard, we have committed ourselves to having net-zero emissions across all scopes by 2050.

To underpin the importance of these areas for ABB and incentivize performance, GHG emissions reduction targets including scope 3, particularly the ones related to purchased goods and services and use of our products sold, have been integrated in long-term performance planning.

ABB is committed to leading the way in reducing impacts related to climate change, with a strategic focus on reducing scope 1 and 2 GHG emissions by at least 80 percent by 2030, versus a 2019 baseline, and scope 3 GHG emissions by 25 percent, versus a 2022 baseline. The cornerstone of this ambitious goal is assessing key decarbonization levers, particularly those which pertain to the use of sold products. Grid decarbonization is the biggest lever to reduce ABB's emissions across the value chain. By developing and introducing ultra-efficient electric motors and drives, ABB is not only enhancing energy efficiency for its customers but also significantly lowering the emissions associated with the lifecycle of its products. These products also have the potential to support avoiding emissions altogether as they lead to a reduced volume of GHG emissions as compared to alternative solutions.

ABB has updated its risks and opportunities analysis linked to climate change. This provides ABB with a comprehensive understanding of the climate challenges facing the industries it supports, as well as requirements linked to the adaptation to physical risks expected to impact its own value chain. By enabling a low-carbon society through its product and service offering ABB is well positioned to adapt to the context of climate change and also realize business opportunities.



ABB'S SBTI APPROVED TARGETS

Near term targets

Reduce absolute scope 1 & 2 emissions

80% by 2030
versus a 2019 baseline

Reduce absolute scope 3 emissions

25% by 2030
from a 2022 baseline

Long term targets

Reduce scope 1 & 2 emissions

100% by 2050
versus a 2019 baseline

Reduce absolute scope 3 emissions

90% by 2050
versus a 2022 baseline

Reach net-zero
greenhouse gas emissions
across the value chain by 2050

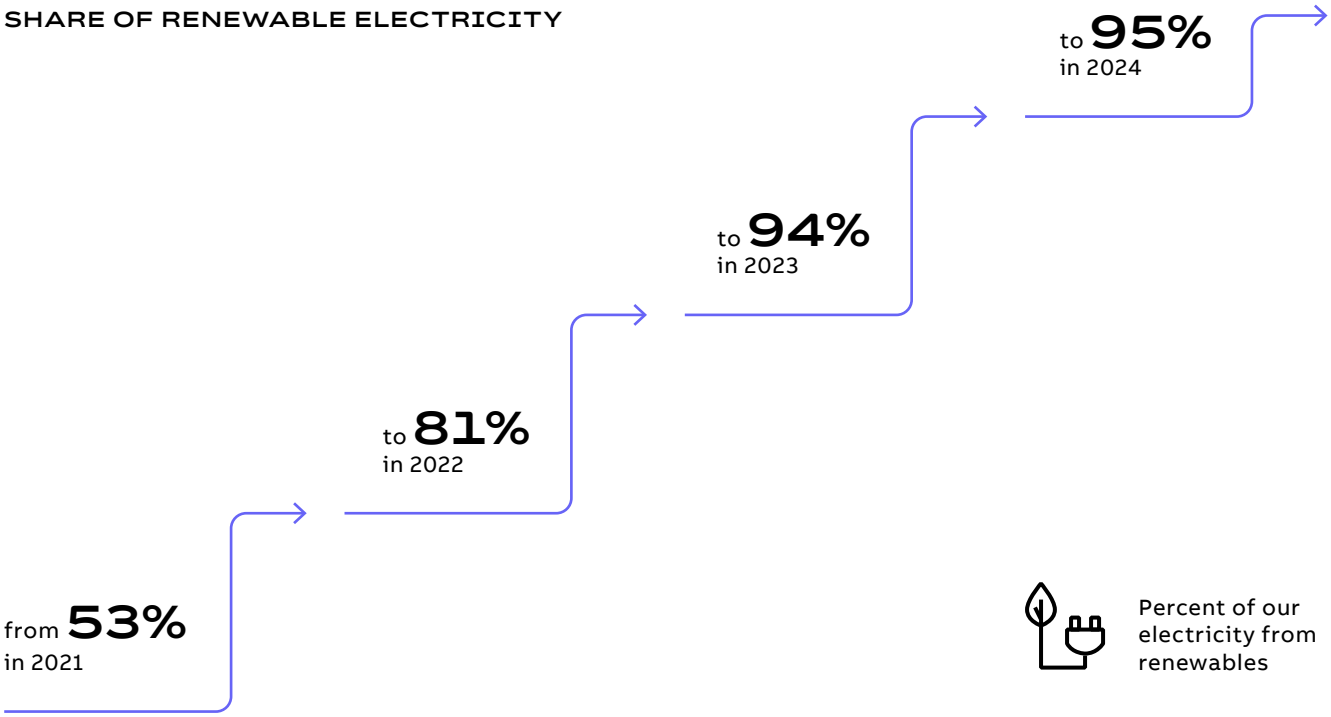
ABB'S OPERATIONAL EMISSIONS

ABB's divisions are reducing emissions in their own operations, as measured by our scope 1 and 2 emissions. In doing so, ABB is not only contributing to a more sustainable future but also mitigating climate risks to our business and delivering cost savings.

As part of our drive to make ABB a net-zero company, we have also committed to three initiatives of The Climate Group, a global initiative of which ABB is a member. ABB has committed to source 100 percent of its electricity from renewable energy sources (RE100 initiative) by 2030, electrify its vehicle fleet, amounting to more than 10,000 cars (EV100 initiative) and improve energy efficiency and productivity across its operations (EP100 initiative). These actions will help to further reduce its scope 1 and 2 GHG emissions. In 2024, we made good progress towards our target of scope 1 and 2 emissions reduction by reducing these emissions by 9 percent from 2023, reaching an overall 78 percent reduction versus the 2019 baseline. Our progress is as follows:

- RE100: In 2024, we sourced 95 percent of electricity from renewable energy sources. Progress was mainly driven by a consolidation of our renewable energy procurement, as well as progress of our sites investing into onsite renewable energy generation as part of our Mission to Zero™ program.
- EV100: In 2024, 38 percent of our vehicle fleet was electric, with 216 ABB sites offering EV charging stations. Our main focus in this regard in 2024 has been an update to our EV procedure, ensuring full coverage for our effort, and installing e-charging stations at sites that were not yet equipped to ease the transition for our employees further.
- EP100: We are targeting a 20 percent increase in energy productivity measured as energy consumption in relation to economic output as compared to 2019. In 2024, we reached a 69 percent improvement in energy productivity compared to 2019. This is mainly due to continuous improvements in operational energy efficiency which have led to decreases in total energy consumption every year from 2019, while revenue has continued to increase.

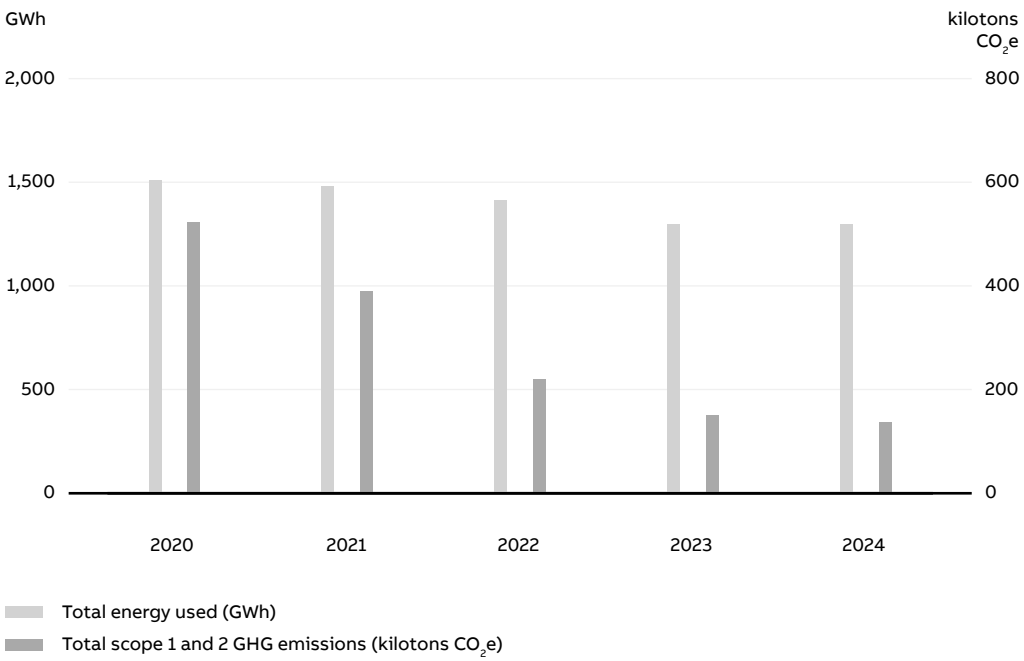
SHARE OF RENEWABLE ELECTRICITY



Our divisions are accountable for GHG emissions reductions in their operations. They are collaborating on best practice sharing in a community of practice supported by updated procedures on renewable energy and electric vehicles. They are continuously working to decarbonize our operations, investing in heat pumps, installing on-site photovoltaic, and exploring power purchase agreements (PPAs) for clean energy. Furthermore, and partly using our own ABB technology, our sites have implemented energy efficiency measures, installing energy-efficient lighting, upgrading our heating, ventilation, and cooling (HVAC) systems, and implementing building automation systems in our operations.

Overall, we have reduced our energy consumption by 22 percent compared to 2019 and will continue to invest in measures to reduce energy consumption further, while moving towards a higher share of renewable energy and electricity. These efforts are reducing emissions and cost at the same time.

TOTAL ENERGY USED AND TOTAL SCOPE 1 & 2 GHG EMISSIONS



ABB'S VALUE CHAIN EMISSIONS

Our ambition for a low-carbon society extends to our customers and suppliers. We conduct Life Cycle Assessments (LCAs) to identify opportunities for emissions reductions in the value chain and achieve our targets. Information gained through LCAs is used for our third-party verified Environmental Product Declarations (EPDs). These are standardized documents validated by industry experts to declare quantitative information of a product's environmental impacts and enables the comparison of footprints of products on the market. They are accessible via our EcoSolutions QR code which is featured on an increasing number of our products. ABB is part of the Partnership for Carbon Transparency (PACT), an initiative by the World Business Council for Sustainable Development (WBCSD). We are piloting the exchange of Product Carbon Footprints (PCFs) via PACT-conform platforms. Combining this information with a comprehensive GHG inventory covering all scope 3 categories enables us to get a clear view of the emission hot spots in our value chain.

The vast majority of our indirect GHG emissions relate to the use of products sold to our customers. In 2024, our scope 3 emissions decreased by 8 percent compared to our base year 2022 to 395 $MtCO_2e$, based on a strict scenario where we use energy input as the basis for calculations. This is in line with our net-zero target validation by SBTi. The vast majority of our products utilize electricity as the energy input. Electricity is the easiest energy source to decarbonize and hence we have utilized the projections published by the International Energy Agency (IEA) of grid decarbonization as one of the key parameters for ABB's net-zero targets. At the same time, we are working to gather primary data to demonstrate that our customers use more renewable energy than average regional emissions factors suggest. By collaborating with suppliers and customers, we aim to replace secondary data with primary data, exploring more targeted interventions and encouraging joint Power Purchase Agreement investments through ABB's collaborative efforts. An example of our proactive efforts to reduce these emissions is continually improving the energy efficiency of our products thereby supporting our customers to reduce their operational emissions and ABB to reduce its scope 3 emissions.

A major positive impact that ABB is able to deliver with its technology leadership is the avoidance of emissions when using ABB products as compared to alternative products.

Supplier emissions
Our divisions work closely with suppliers to reduce emissions profiles of products in order to meet the expectations of the markets, which are becoming more and more environmentally conscious. One key action is to improve the transparency of product-related emissions by providing more granular EPDs to our customers which require ABB to obtain PCFs from its suppliers and to include them into LCAs and product circularity assessments.

In our supply chain, we pay close attention to using lower-carbon transport options, lower-carbon materials with renewable or recycled content and innovative materials that weigh less but provide comparable quality performance. Collaborating closely with suppliers to identify potential supply chain emissions reductions and incentivizing investments that are securing the supply of these materials today and in the future are key focus areas. ABB has also joined the Center for Decarbonization Demand Acceleration (CDDA), curated by the WBCSD, to join industry efforts to increase availability of these materials and solutions. Initiatives to source materials closer to manufacturing locations are another way to reduce emissions in the supply chain and are encouraged under the EU's Carbon Border Adjustment Mechanism (CBAM) with other jurisdictions expected to follow. Tracking of PCF plus transport emissions on a per shipment basis provides ABB with the required insights to make informed and timely decisions on how to adjust its supply base and transport lanes.

As part of our ambitions to reduce our scope 3 emissions, we continue to work with our suppliers to enable them to reduce emissions in their own operations and in their upstream supply chain. The emissions captured in our reporting on purchased goods and services (scope 3, category 1 as per the Greenhouse Gas Protocol) reflect the footprint of the full supply chain, up to the origins of raw materials. This is why we seek to engage not only with our Tier 1 suppliers, but also with Tier 2 suppliers and beyond. Since 2023, we have provided information and training sessions to our suppliers and collected information via our supply chain emissions reduction program. This has provided us with an understanding of the maturity of our suppliers and their suppliers and of where to prioritize our engagement to reach our target. We are requesting our key suppliers to use the EcoVadis platform to report their overall emissions, and to indicate their emission reduction plans and progress against targets.

In 2024, we completed a mapping of ABB's emissions from 100 percent of supplier categories, identifying greenhouse gas emissions hot spots. The top 10 material groups account for over half of the emissions from purchased goods and services. These hot spots were the focus of our engagement with suppliers, as we seek to understand more about the key materials that are responsible for the emissions of these suppliers and how ABB can collaborate with these suppliers to drive decarbonization.

Customer emissions
ABB products and solutions support the power, industry, transport, and buildings sectors in optimizing, electrifying, and decarbonizing. We have three means through which we contribute to the energy transition:

- increased efficiency through automation, high efficiency motors and drives, and industrial software;
- substituting fossil-fuel combustion for processes and propulsion by electrification; and
- detection and avoidance of leakages of GHGs like methane and other harmful substances.

At ABB, by far the largest contribution we can make to a low-carbon society is in our customers' operations, as the largest proportion of our overall value chain GHG emissions sits in our scope 3 downstream emissions from the use of sold products. Our sold products require significant amounts of energy and, depending on the local energy mix of a country, this may lead to significant GHG emissions. In order to reduce the absolute emissions of our products sold, we use several levers, constantly pushing innovation to bring energy consumption further down. Through our comprehensive offerings, we are speeding up the decarbonization of grid systems, promoting innovation to integrate renewables into the energy mix. We look for ways to reduce the energy demand of our offerings by improving the energy efficiency of our products and providing customers with solutions that are designed to enable them to electrify their operations. Efficient electric motors for example are used in many cases to replace fossil-based solutions. In addition, we provide our customers with information about the power consumed and emissions avoided by our offerings. Given the current megatrend of digitalization and artificial intelligence, which comes with a significantly increased energy need in data centers, ABB plays an important role in providing energy efficient mission-critical power solutions. To help our customers reduce emissions, we provide end-to-end support, which includes

ABB'S TECHNOLOGIES ARE AT THE CORE OF ACCELERATING THE ENERGY TRANSITION

Key market trends support demand for our customer offerings

Electrification – the world going electric

Energy security

Emission reduction, Energy efficiency

Automation

Supporting all relevant sectors to optimize, electrify and decarbonize

Global GHG Emissions by segment[1]	ABB services offerings (examples)	% of ABB Revenues by sector[2]
Power **40%** Energy-related GHG emissions	Renewables integration; Generators; Synchronous condensers; Hydrogen	13% Utilities
Industry **25%** Energy-related GHG emissions	High-efficiency motors and variable speed drives; Electrification of heavy-duty trucks; Optimization and factory automation; Emissions monitoring and leak detection	54% Industry
Transport **22%** Energy-related GHG emissions	Marine hybrid & electric propulsion systems; EV onboard equipment & charging; E-buses & fleets charging & propulsion; Rail traction electric	13% Transport & Infrastructure
Buildings **8%** Energy-related GHG emissions	Building energy management; Power Distribution; HVAC control; Lighting and comfort control	18% Buildings

1. Source: International Energy Agency.

2. Management estimate based on FY 2024 revenues.

product-related training and sharing of experiences and best practices. We listen carefully to customer feedback and adapt our strategies and operations to best serve their needs.

Avoided emissions

We continue to track and quantify our customers' avoided emissions in line with the guidance provided by the WBCSD. Avoided emissions describe the volume of GHG emissions our customers can avoid by using ABB products compared to other available solutions and cover the full product lifecycle. Our energy-efficient motors and drives and automation and control systems help to reduce and avoid emissions in industries, buildings, infrastructure and transport.

In 2024, ABB's acquisitions highlighted areas where ABB continues to bring its expertise in electrification and optimization. For example, the acquisition of Födisch Group, a leading developer of advanced measurement and analytical solutions for the energy and industrial sectors, underscores ABB's commitment to providing advanced continuous emission monitoring systems that have become vital for companies to monitor and mitigate emissions and comply with environmental regulations. The acquisition of DTN Shipping expands our offering in maritime software and ship route optimization which supports enhanced voyage efficiency, saving fuel and cutting emissions.

In 2024, the products we sold to customers this year helped them avoid 66 megatons of emissions and 204 megatons cumulatively since 2022, considering the full lifecycle of the products. This fits our ambition to support customers in avoiding 600 megatons of GHG emissions from 2022 to 2030, based on all the products we expect to sell over that period.

AVOIDED EMISSIONS

Ambition to enable our customers to avoid **600 megatons** of CO_2e emissions throughout lifetime of products sold from 2022 to 2030

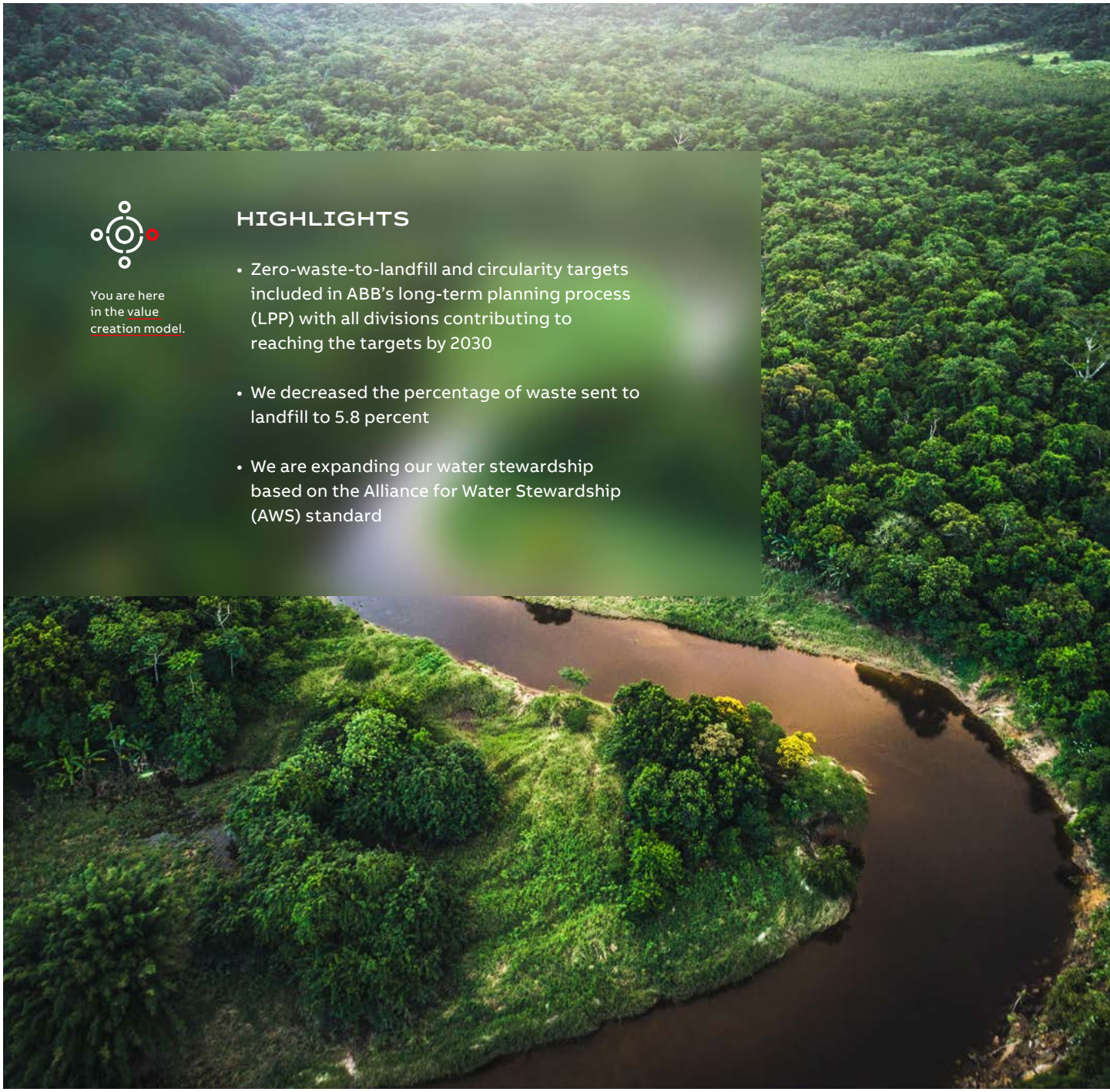
OUTLOOK

We will continue to focus on reducing GHG emissions directly and indirectly across our value chain. Building on our hot spot analysis, we are:

- Working with our suppliers to leverage opportunities for emissions reductions in the full supply chain beyond Tier 1 suppliers.
- Focusing on reducing the GHG footprint of our sold products by looking at the design of the products themselves and increasing the circularity of our products.
- Accelerating grid decarbonization through our products and service offerings.

We preserve resources

We collaborate with our stakeholders to safeguard natural resources in our value chain by embedding circularity principles in our operations and products, increasing recycling and reusability rates, and reducing waste and water use in areas at water risk. We are committed to preserving biodiversity and to using land responsibly.



You are here in the value creation model.

HIGHLIGHTS

- Zero-waste-to-landfill and circularity targets included in ABB's long-term planning process (LPP) with all divisions contributing to reaching the targets by 2030
- We decreased the percentage of waste sent to landfill to 5.8 percent
- We are expanding our water stewardship based on the Alliance for Water Stewardship (AWS) standard

ABB'S MANAGEMENT AND TARGETS

Preserving resources is a key pillar of ABB's Sustainability Agenda and a core element of our value creation model. ABB's focus on preserving resources encompasses several sub-areas including resource use, circularity, and resource flows. Impacts, risks, and opportunities were identified in these areas as part of ABB's 2024 double materiality analysis.

Our Circularity Approach encompasses our company-wide efforts to address the impacts, risks and opportunities related to resource use. Beginning with the design stage, we are committed to increasing the resource efficiency of our solutions and to making them more durable by means of our lifecycle management services and lifetime extension and modernization services, thus supporting principles of a circular economy.

We are working closely with customers, suppliers and partners to embed circularity throughout our entire value chain. By assessing the impact of our offerings throughout their complete life cycle, our product managers and relevant functions identify ways to improve circularity across our product portfolio. This process encourages cooperation and partnerships with key stakeholders across industries and sectors on a wide range of activities – from engaging with suppliers to source materials with a smaller environmental footprint or reduced raw material content, to recovering scrap from production and looping it back to our operations. We also create circular value by collaborating with curated recycling partners to enable take-back schemes in many markets.

Within our own operations, we aim to avoid waste by making our processes more efficient, by increasing the use of sustainable materials in our products and packaging, and by expanding recycling activities at our sites. The avoidance of land degradation including deforestation and soil sealing, water pollution and scarcity, and protecting biodiversity are relevant to our stakeholders' recognition of ABB as a company striving for sustainability.

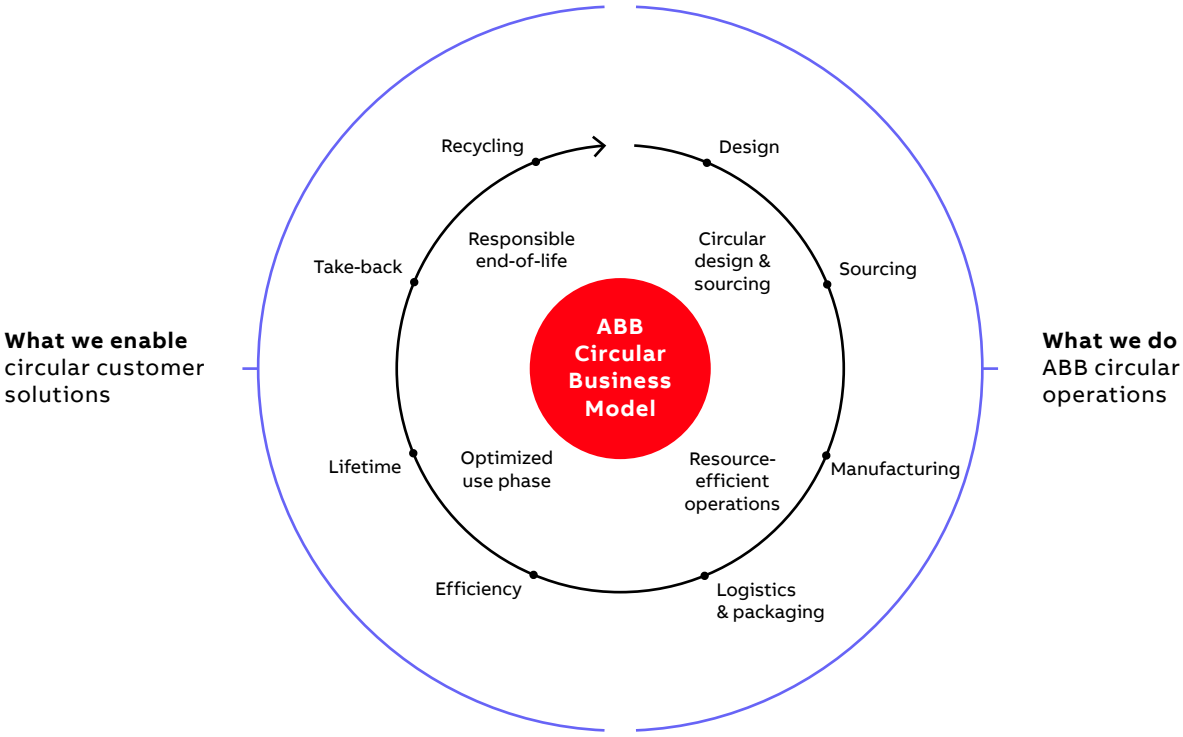
CIRCULARITY

The circular economy's goal is to preserve resources. At ABB, we see circularity as an opportunity to forge new partnerships and business models. We are focusing on taking meaningful action and collaborating with stakeholders and partners to safeguard natural resources in our value chain. Designing our products following circularity principles optimizes and extends the life phase of customers' solutions integrating ABB products. Our solutions are designed to last, to be material and energy efficient when in operation, and designed to be reused, repaired and recycled. We also support our customers in their journey to more resource-efficient operations through our holistic service offering: digital solutions to extend the lives of the assets through remote operations and corrective as well as predictive maintenance; modernization services to extend lifetime, optimize performance and reduce waste; and take-back services, to facilitate responsible end-of-life.

Our Circularity Approach includes a clear set of KPIs which correspond to each stage of the product lifecycle: from design and sourcing to product manufacturing, to optimized use phase (energy efficiency when in operation and service offerings) and responsible end-of-life. ABB plans to share the circularity score of assessed products and solutions once a representative share of the portfolio has been assessed. By the end of 2024, 41 percent of our product portfolio had been assessed against the guidelines of the Circularity Approach. The illustration below reflects ABB's Circularity Approach across the different stages of the product lifecycle.

ABB's Circularity Approach is managed by a dedicated Circularity Working Group, which coordinates initiatives relating to circularity among our four business areas, clarifies and updates the approach, defines how we measure progress by means of the circularity KPIs, establishes the guidelines by which the KPIs are assessed and shares best practices. The working group has also contributed in 2024 to the development of the World Business Council for Sustainable Development (WBCSD) Global Circularity Protocol (GCP), which is expected to be published at COP30 in November 2025 and will inform the evolution of ABB's Circularity Approach. This contribution is aligned with our commitment to advancing the circularity agenda beyond our organization.

ABB'S CIRCULARITY APPROACH



WATER AND WASTE

Using natural resources in a responsible way is a priority for ABB. In 2024, we conducted our annual assessment of water stress using the World Resources Institute's (WRI) global water risk tool. It showed a decreased number of ABB's locations (91) facing an enhanced level of water stress. Our water consumption in areas at water risk, including high water stress areas, decreased by 2.3 percent compared to 2023 to 283,123 m^3. For sites in extremely water stressed areas, ABB continuously evaluates what measures are being taken, considers the possibilities to introduce new measures and explores opportunities for local collaborations based on the requirements set out by the Alliance for Water Stewardship (AWS). AWS provides a comprehensive global framework for sustainable water management, focusing on responsible water use, quality and governance at the watershed level through multi-stakeholder engagement. While these actions are ongoing, ABB India is planning to certify one of ABB's sites in Bangalore according to AWS requirements. Building on this, we plan to scale certification to other sites globally.

While water risks are relevant for our own operations, the biggest exposure lies in our supply chain. If our suppliers face flooding or water scarcity, this will impact ABB negatively. Therefore, we seek to have flexibility in our supply chain, while increasingly monitoring the risk exposure of our main suppliers. Suppliers are asked to demonstrate systems for monitoring water usage, with the expectation that initiatives are taken to improve water usage efficiency and seek collaborations with local companies or universities on innovative programs.

We also help our customers to reduce water extraction and freshwater pollution through our wide range of water and wastewater solutions. The ABB Water Care program improves our clients' processes related to water and waste water. It ensures optimal and reliable plant performance, extends the operating life of automation and electrical assets, and protects equipment and intellectual investments. The use of energy-efficient motors, drives, and monitoring solutions is reducing risks and costs for the water sector.

Another important aspect is our zero-waste-to-landfill commitment. We have waste reduction programs at our sites throughout the world. The zero-waste-to-landfill target is now included in ABB's Long-term Planning Process, meaning all divisions have made plans and identified interim milestones to achieve this target in 2030. In 2024, we increased the amount of waste that ABB generates by 6.3 percent to 177.5 kilotons compared to the previous year due to extraordinary effects from demolition and construction projects. 82 percent of our waste was recycled, and 5.8 percent of waste from operations sent to landfill. This marked a decrease of 0.5 percentage points for waste sent to landfill, compared to the previous year.

POLLUTION PREVENTION AND SUBSTANCES OF CONCERN

→ See ABB's Supplier Code of Conduct.

To ensure the safe use of materials and to reduce and, where possible, eliminate the use of hazardous materials from our operations, we rely on the ABB List of Prohibited and Restricted Substances. This list applies to every aspect of our operations, including procurement, product development, production processes, products, packaging materials, service activities and construction sites. We update the list twice a year in keeping with local and international regulations and legislation. ABB's four business areas have full ownership of their respective product material compliance obligations, which include the European Union's requirements for chemicals and products listed in the Substances of Concern in Products (SCIP) database. We have developed a companion guide to the list to help ABB's suppliers meet their obligations, which includes partnering with us to identify and prevent restricted substances from entering ABB's supply chain. In addition, ABB's Global Terms and Conditions for suppliers and our Supplier Code of Conduct address prohibited and restricted substances.

In 2024, all business areas continued to collect material compliance information. Our Electrification business area, for example, collected compliance declarations for more than 214,000 articles acquired from their supplier base. This information is securely stored in dedicated databases and is used for customer communications and product compliance statements.

We have also introduced programs to identify the use of per- and polyfluoroalkyl substances (PFAS) to report them to authorities and customers, when required. In addition, we support programs to phase out PFAS substances via the ABB List of Prohibited and Restricted Substances and specific programs in the EU and US. This is a crucial program for all ABB divisions. To avoid pollution in ABB's value chain and operations, we promote sustainable practices, such as supplier environmental criteria and circular economy principles.

BIODIVERSITY

ABB monitors the potential negative impact of its business activities on biodiversity, for example through pollution of air, water and soil. ABB uses a solidly implemented environmental management system to ensure any risks ABB's own operations pose on the environment are being addressed and eliminated. With proper biodiversity and land-use management, ABB can contribute towards protecting flora and fauna and implementing legacy-site remediation projects. In 2024, we conducted a comprehensive assessment to identify and analyze ABB sites located in or near biodiversity-sensitive or protected areas. It showed that out of 449 ABB sites assessed, 83 sites were located within one kilometer from a protected area of high biodiversity value, while four are located in protected areas. Many of our sites within this scope are certified according to ISO 14001 Environmental Management Systems and ISO 9001 Quality Management Systems, which provide the basis for our assessment, supplemented by additional external data sources.

Furthermore, our manufacturing sites operate in line with valid permits. Our EU sites are already subject to relevant EU regulatory requirements relating to flora, fauna, and habitats, whereas the non-EU sites underwent a case-by-case evaluation, which considered relevant national legislation related to the conservation of habitats and species, as well as external environmental assessments.

Given the rising importance of biodiversity and its interconnected relevance, also in conjunction with the discussion around climate change, we will be establishing a structured approach towards managing these topics, guided by the recently published Recommendations of the Taskforce on Nature-related Financial Disclosures. Our efforts moving forward will need to increasingly involve our supply chain as well as our customer operations. We aim to help protect the environment by reducing waste through our products and services, which in turn lowers environmental impacts such as air and water pollution. We have established a Waste, Water & Biodiversity Working Group that will ensure best practices sharing and the update and implementation of relevant mandatory procedures.

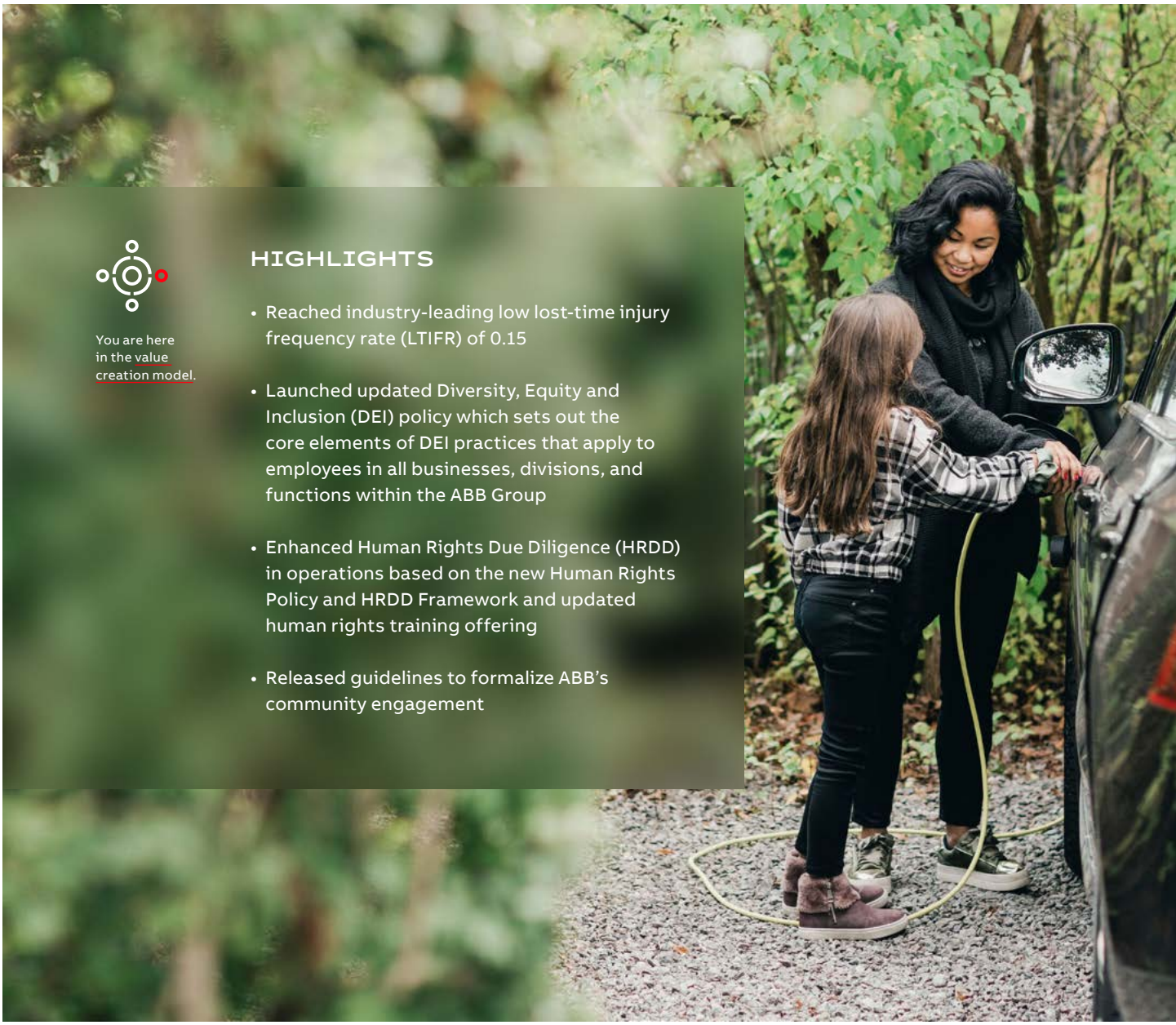
OUTLOOK

In our ongoing efforts to preserve resources, we continue to assess and align our product portfolio against ABB's Circularity Approach, reduce our waste and the share of waste sent to landfill, increase water efficiency and preserve biodiversity. Moving forward, we will:

- Communicate the percentage of our products and solutions covered by our Circularity Approach.
- Identify further opportunities to align our products with circularity principles.
- Continue to focus on solutions that reduce waste generation at our sites.
- Reduce water consumption in water-stressed areas where we and our customers operate, and scale up Alliance for Water Stewardship (AWS) certifications of our sites.
- Increase mapping of water and biodiversity risks, impacts in the supply chain and drive risk elimination together with our site operations, suppliers and customers.

We promote social progress

We are committed to promoting social progress, benefiting our employees, customers, stakeholders, and communities worldwide. We achieve this by prioritizing health and safety, championing diversity, equity and inclusion, and fostering professional growth within our workforce. Through the development of our people and active engagement in community programs, we create lasting positive impacts. Our dedication to social progress is rooted in a strong respect for human rights, with zero tolerance for discrimination, as outlined in our Code of Conduct and Human Rights Policy.



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HIGHLIGHTS

- Reached industry-leading low lost-time injury frequency rate (LTIFR) of 0.15
- Launched updated Diversity, Equity and Inclusion (DEI) policy which sets out the core elements of DEI practices that apply to employees in all businesses, divisions, and functions within the ABB Group
- Enhanced Human Rights Due Diligence (HRDD) in operations based on the new Human Rights Policy and HRDD Framework and updated human rights training offering
- Released guidelines to formalize ABB's community engagement

ABB'S MANAGEMENT AND TARGETS

Business has a crucial role to play in building a prosperous, healthy, and equitable society. ABB is proud to be a good corporate citizen and to contribute to the welfare of our employees, customers, and suppliers' workers, communities, and other stakeholders worldwide.

Engaging with our stakeholders plays a fundamental role in defining ABB's strategic direction and thereby driving our business. We are committed to consistent, transparent communication with our key stakeholder groups, including collaborative partnerships, customers, employees, governments and civil society, our investment community, and suppliers. We engage in regular and ongoing dialogue with our stakeholders, incorporating their perspectives in ABB's policies and positions. These valuable insights are also used to inform our double materiality process.

The topics which reflect our efforts to promote social progress and that we identified as material comprise health and safety, human rights and labor standards, and employee development and well-being. As part of our Sustainability Agenda, we also focus on diversity, equity and inclusion. Our efforts relating to these topics represent a relevant part of how we aim to create value for our stakeholders. Besides the positive impacts on employees through our efforts, they also contribute to our business opportunities and success. Not acting on these topics would adversely lead to risks, through talent attrition, reputational damage, or even sanctions and fines.

Four targets have been established under ABB's Sustainability Agenda to reflect the ways we are working to promote social progress. These targets also support us in successfully delivering on our promises and creating value for all our stakeholders:

- Ambition to do zero harm to our employees and contractors, reflected in a gradual reduction of our lost time incident frequency rate.
- Increase of women in senior management roles to 25% by 2030.
- An engagement score showing top-tier results in our industry.
- Expand programs on community engagement.

HEALTH AND SAFETY

The active management of Health, Safety, Environment and Security (HSE&S) is a natural extension to our business. Our talented and skilled employees are our most valuable asset. Fostering a safe and healthy work environment is a fundamental responsibility of ABB. It is our ambition, therefore, that no person shall suffer injury or ill health as a direct consequence of ABB's industrial undertaking and that any negative impacts on the economy, society and our environment are minimized

This is reflected in our Group-wide HSE&S policy that reinforces ABB's commitment to putting health, safety, the environment and security at the heart of our activities. This commitment encompasses material sourcing, product design, operations, services and includes safe and healthy working conditions, identifying opportunities to eliminate hazards, reducing risks and adverse impacts and applying risk control and monitoring systems.

In addition to monitoring the physical impact on our workforce, mental wellbeing is also a very important topic for ABB. Beside division- and business area-led mental wellbeing initiatives, the company is providing global support through the Employee Assistance Program as well as the new meQuilibrium app, which is specifically aimed at strengthening the mental resilience of line managers. To realize global leadership in health, safety, and wellbeing in our operations, we have launched our Guiding Principles for Resilient Operations. These support our HSE&S Management System, which is based on internationally recognized standards, principles and commitments. The Guiding Principles combine a more human-centric way of looking at HSE&S topics with our values Courage, Care, Curiosity and Collaboration, and have been agreed to by all divisions and business areas. They will form the model for HSE&S going forward.

The following three Guiding Principles set a framework underpinned by a set of behaviors we strive to follow at every level of our organization to achieve our objectives:

- **Lead with care:** Means that leaders at every level create an environment where colleagues feel safe, cared for and are confident to speak up.
- **Engage and involve:** Means everyone collaborates and draws on each other's knowledge and strengths to ensure colleagues feel included and encouraged to contribute to our programs and HSE&S performance.
- **Learn and improve:** Means everyone is encouraged to have the curiosity to learn and to support continuous improvement both as individuals and as a team and organization.

HSE Guiding Principles
Each division is encouraged to develop safety programs that are appropriate for their operations. We coordinate preparations and responses to emergency situations, conduct internal safety inspections, and obtain third-party verifications for our health, safety and wellbeing reporting. We have well-defined procedures to investigate work-related injuries and incidents and act promptly to mitigate negative impacts. We continuously strive to further reduce health and safety hazards.

Thanks to our health and safety measures, we continue to see a downward trend in our lost-time injury frequency rate (LTIFR) to industry-leading levels with a 2024 LTIFR of 0.15. In 2024, we recorded 338 work-related injuries, one workplace-related fatality and one business travel related fatality. An investigation into the workplace-related fatal incident is currently underway, and we will draw on the lessons learned to prevent any future recurrence.

DIVERSITY, EQUITY AND INCLUSION

We take pride in the diversity of our workforce and seek to create an inclusive culture in which people feel empowered to share their ideas and perspectives. In this way, we encourage creative thinking which drives innovation – which is key to ABB's growth and success. We believe in diversity across all dimensions and that our differences make us stronger. That is why progress in diversity, equity and inclusion (DEI) is embedded in our long-term objectives.

With 2024 marking our fourth consecutive year of dedicated efforts toward Diversity, Equity, and Inclusion, we remain committed to our DEI Strategy 2030. Our annual calendar includes various initiatives and events aiming to create an environment where every employee feels valued, respected, and empowered to contribute their unique perspectives. In 2024 we covered women's history month and inclusion, LGBTQ+ topics and our #ComeAsYouAre campaign, generational diversity in the workplace, and mental health and disability-related awareness, including topics of invisible disabilities, understanding neurodivergence and overcoming imposter syndrome. Events were attended by participants globally, sparking further conversation and action in our topical Employee Resource Groups (ERGs). Furthermore, effective November 1st, our updated DEI policy went live – reemphasizing our company-wide accountability towards diversity, equity and inclusion. Additionally, we have developed internal targets for DEI supported by a broad portfolio of actions. These include ensuring an equal gender balance among our early talent hires, providing broad access to ERGs, and improving how we score on inclusion in the workplace in the annual Employee Engagement Survey.

These actions support us in achieving our strategic target of increasing the proportion of women in senior management roles to 25 percent by 2030. In addition, we have defined further DEI targets to be met by 2030 as follows:

DEI TARGETS 2030

50%
female university hires

25%
women in senior management

SCORE
yearly improvement of inclusion score in Employee Engagement Survey

POLICIES
well established for all dimensions

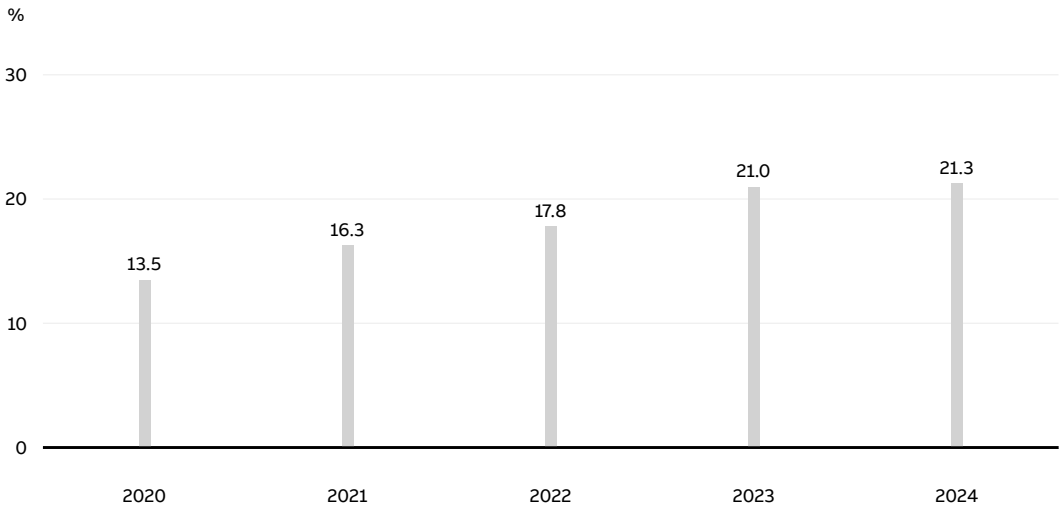
100%
employees access to ERGs/Affinity groups

Women in senior management roles

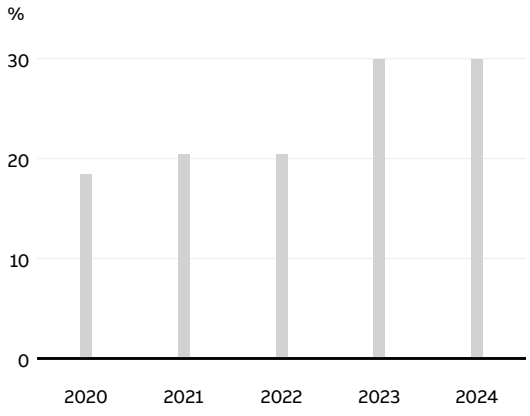
In 2024, ABB increased the proportion of female senior managers[1] to 21.3 percent. We facilitate leadership trainings and have put in place targeted development activities to ensure a stronger gender balance at all levels, including in the leadership pipeline. A number of ABB programs support the inclusion and retention of women in the workplace. Our global gender neutral parental leave program as well as flexible working practices support our employees during the various phases of the employee life cycle.

1. At ABB, senior managers are defined as employees in Hay grades 1–7.

WOMEN IN SENIOR MANAGEMENT



WOMEN ON THE BOARD



WOMEN IN TOTAL WORKFORCE

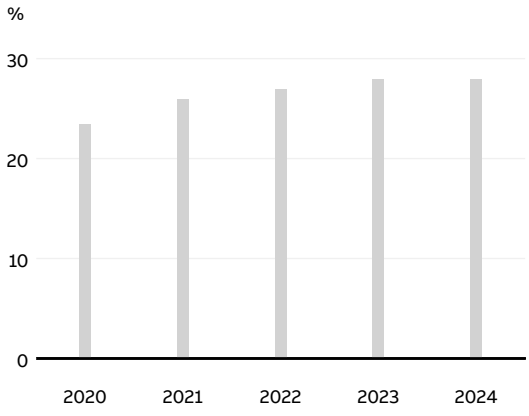
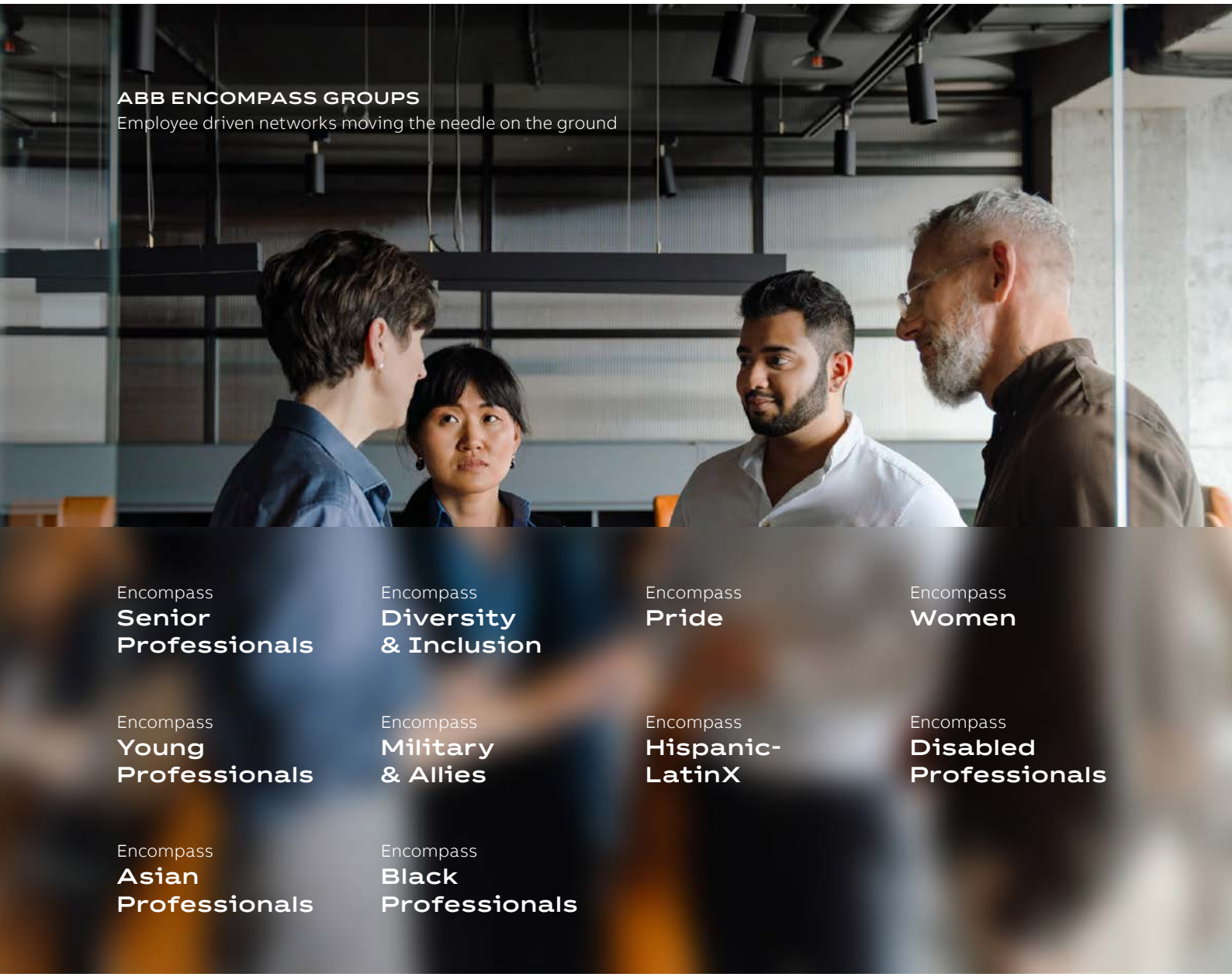


ABB Encompass Groups

Our aim is to create a welcoming environment in which people have a sense of belonging and can realize their full potential, both as individuals and collectively. With a workforce spanning five generations, we foster collaboration through employee resource networks, various mentorship models, collaborative workshops and age-diverse teams. Our global employee resource groups (ERGs), also known as Encompass Groups, reflect a diverse body of people, encompassing focus areas like gender, LGBTQ+, abilities, generations, ethnicity, and diversity of thought. They aim to create an inclusive, dynamic work environment that enhances morale and engagement, helping attract and retain diverse talent. By offering networking, confidential support, and open communication with leadership, we address common concerns and promote mentoring, education, and leadership development among employees. During 2024, an upskilling program was launched targeting our ERG leaders to bring them to the next level of maturity. Our commitment to diversity, equity and inclusion extends beyond our immediate workplace, as ABB partners with organizations including United Nations Women Empowerment Principles (UN WEPs), UN Standards of Conduct Tackling Discrimination against Lesbian, Gay, Bi, Trans, & Intersex People, Society of Women Engineers, Special Olympics.



EMPLOYEE DEVELOPMENT AND WELLBEING

Employees bring valuable skills, drive productivity, foster innovation and contribute to ABB's culture and values. They are vital for achieving our goals and staying competitive.

Investing in the professional and personal development of our people is a key element of our long-term success. It supports the satisfaction and wellbeing of our employees, nurtures motivation and innovation, and facilitates talent attraction and retention.

We are therefore committed to maintaining an open dialogue with current, former and future employees of ABB. We have multiple tools in place that enable our employees to make their voices heard. These include formalized and/or elected bodies of employee representatives that deal with management of labor practices, among other topics.

Our annual Employee Engagement Survey helps managers better understand the experiences of our employees at ABB and how they feel about their jobs and the company. The survey also gives employees a channel to highlight opportunities for improvements in the workplace and ask for support to achieve the goals of their team or manage challenges that they may face. As the foundation of our organization, the perspectives of our employees influence our business strategy and operations.

In 2024, our employee engagement score was 78 out of 100, up from 71 in 2019. In total, 85 percent of employees, nearly 92,000 people, responded to the survey, which represents a significant increase since 2019, when the response rate was 65 percent. The results are benchmarked by our external survey provider against a broader set of companies that ask similar survey questions. This allows us to monitor our ambition of achieving a top-tier score. Our 2024 results highlight strengths in relation to safety, climate, integrity and role clarity. The survey also showed that, while we have made good progress on removing barriers to execution, there is still room for improvement. In addition, in 2024 a decision was made to raise the bar and set a target to benchmark with the top 25 percent external peers using the engagement platform.

Development

Learning and upskilling our people is a key focus area. Educational offerings are made available to our employees online and offline. This year, the number of learning hours per FTE increased to 8.4 (24 percent increase compared to previous year). Our Learn, Connect, Grow (LCG) approach fosters employee development through online and offline training, career resources, and peer learning opportunities. LCG Day, held annually, features keynote speakers, inspiring stories, and activities that promote learning, connections, and growth across the organization. We strive to give our employees the skills they need to adapt to change and stay competitive in a constantly evolving business environment.

As part of our ongoing efforts to improve the quality of people performance management and its impact on individual development and growth, we are moving from a traditional "Management by Objectives" to continuous, meaningful performance conversations, supported by emerging technology. While this technology will play a crucial role in the future, our focus remains on change management and the required cultural shift.

To enhance the link between performance and development, we launched a training program in December 2024. This includes videos showcasing effective and less effective performance reviews. Non-managerial employees will receive concise learning materials to improve their conversation skills, while managers will participate in a 90-minute workshop featuring personal video analysis, exercises, and strategy development.

Employee wellbeing

Whether it's coping with current life challenges, preparing for a new life experience, personal or work-related experiences, ABB takes employee wellbeing seriously and ensures that colleagues and their family members feel supported by us.

We also offer individual learning pathways, unconscious bias training, and research-backed resources to systematically drive awareness, engagement and progress. For example, we have reviewed our processes and policies and piloted

LGBTQ+ reverse mentoring programs to improve understanding and inclusion in the workplace. We will continue to explore opportunities to facilitate diversity, equity and inclusion, striving for an environment where every employee knows their uniqueness is an asset that adds value to our company. This creates shared value in the workplace, marketplace and community.

As part of our global Employee Assistance Program (EAP), employees have access to up to six counselling sessions per topic, per year. Topics of counseling session can include improving relationships, surviving the loss of a loved one, parenting, couples' support, referrals to local finance or legal sources, managing stress, and managing workplace pressure, among others. In 2024 we launched an updated EAP application intended to make it easier for employees and their families to access the support they require.

We also launched an additional mental health resource for line managers through a new application. This application allows line managers to manage burnout, stress and anxiety by developing resilience through personalized learning tailored to their individual needs and helps them to recognize and manage this with their teams.

Support for such a program is provided on a confidential basis. While we see overall utilization of our support programs increasing, we continue to look for ways to further publicize the support available from these programs.

COMMUNITY ENGAGEMENT AND PROTECTION OF VULNERABLE COMMUNITIES

ABB is committed to creating a more prosperous and sustainable future for the communities in which we operate, ensuring that our efforts make a meaningful and sustainable impact. We are committed to mitigating and remedying negative impacts that might occur in our value chain, while promoting long-lasting initiatives to generate positive value and create opportunities for these communities.

ABB acknowledges the importance of being recognized as a good corporate citizen to ensure its social license to operate. For this purpose, ABB identified Four Focus Areas (4Es) of intervention aligned with ABB's Sustainability Agenda, to enhance the efforts towards communities and optimize its return of Community Engagement Programs.

ABB's approach to community engagement entails stakeholder engagement, strategic corporate partnerships and country-level projects to address local needs. Our company's and employees' contributions make a real difference in people's lives, and we are proud of our employees for donating both time and money to help others in need.

In 2024 we donated $9 million by employees and business areas, 6,105 volunteering days, and we supported 605 projects in 41 countries.

ABB'S FOUR FOCUS AREAS

1 Education

Ensure equitable access to Science, Technology, Engineering and Mathematics (STEM) education and build the next generation's lifelong competence and soft skills, leveraging technology, sustainability, and innovation.

2 Emergency & Disaster Relief

Support communities and employees impacted by natural disasters and educate our employees on disaster relief readiness.

3 Empowering communities

Create a more prosperous and sustainable future for communities in countries and territories where we operate, mitigating impacts and offering new development opportunities.

4 Environment and conservation

Support communities in biodiversity conservation, protecting land, marine and freshwater ecosystems, mitigating environmental and social impacts and offering new development opportunities.

As part of the target to expand programs for community engagement, in 2024 we released a new internal guideline to formalize the company's community engagement strategy and provide direction on developing projects aligned with ABB's Sustainability Agenda and ABB's Four Focus Areas (4Es) of intervention.

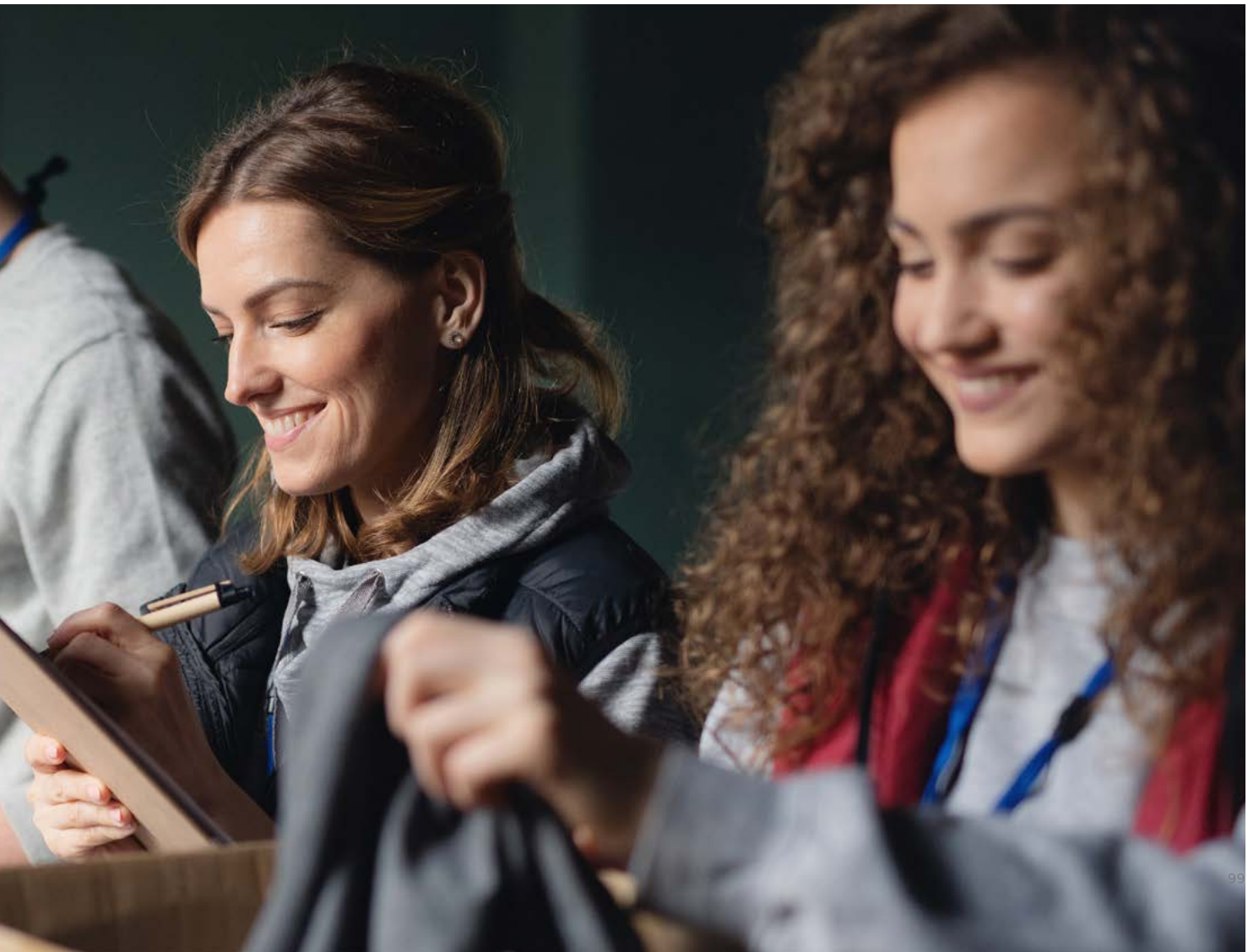
We also formalized a group level governance creating a dedicated working group with representation from each business area to manage the topic.

41 countries
engaged

$9 million donated
by employees and business areas

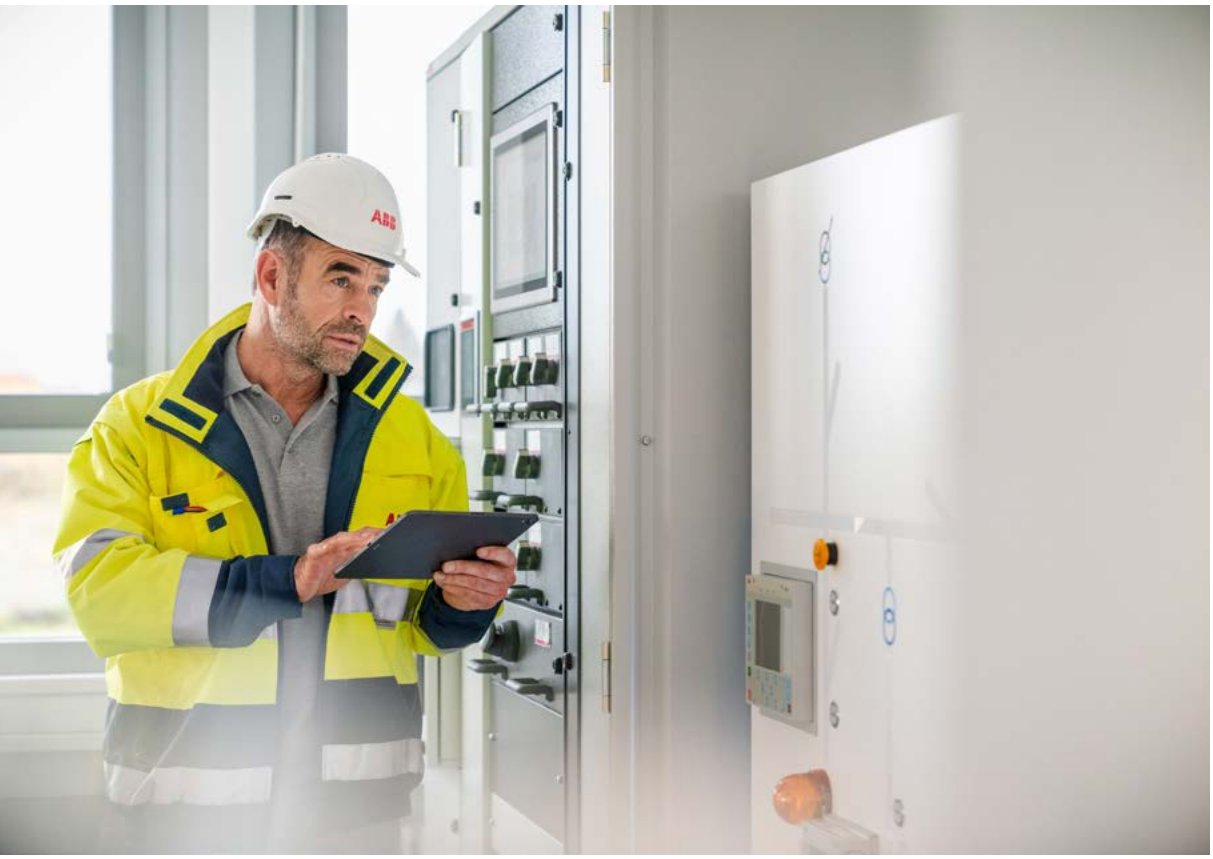
6,105 person-days
in volunteer work

605 projects
supported worldwide



FOCUS ON CUSTOMERS

Customers are at the center of everything we do. ABB interacts with its customers by prioritizing safety, transparency, and privacy while addressing potential risks and leveraging technological advancements. ABB ensures that customers have access to quality information, empowering them to make informed decisions and fostering transparency throughout the value chain. This approach enhances confidence in ABB's products with regard to ethical practices related to worker's rights, supply chain management, and data processing. Additionally, ABB's strong focus on privacy builds trust and confidence among customers and business partners by safeguarding personal information and respecting individual rights. This commitment to privacy not only protects customer satisfaction but also strengthens our reputation as a company, contributing to long-term loyalty and positive brand perception. ABB also acknowledges the risks associated with cyber attacks and connectivity, implementing robust cyber security measures to protect its information technology, infrastructure, and intellectual property. By addressing these challenges and continuously improving its digital processes, ABB aims to maintain customer satisfaction and mitigate potential negative impacts on its brand and operations. Furthermore, ABB's implementation of strong safety measures and clear instructions for the use-phase of our products significantly mitigates the likelihood of safety incidents, ensuring a safer experience for customers and reinforcing ABB's commitment to their wellbeing. Ultimately, ABB customers trust our innovative, high-quality products and services. With our leading technologies in electrification and automation, we help all industries run at high performance and become more productive, efficient and sustainable so they can outperform.



HUMAN RIGHTS AND LABOR STANDARDS

→ For more information related to our grievance mechanism and remediation process, please refer to the Integrity section of this report.

→ See ABB's Code of Conduct and Supplier Code of Conduct.

ABB is committed to respecting the dignity and human rights of all people. Our goal is for human rights to be well understood and managed along our entire value chain and integrated into ABB's daily business.

We support and respect the international frameworks to identify, mitigate, and address human rights risks and impacts, embedding responsible business conduct in business processes, tracking and communicating performance and allowing access to grievance and remedy for potentially affected people. These frameworks are set out in our Human Rights Policy and include the United Nations' Guiding Principles on Business and Human Rights (UNGPs), and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Our Code of Conduct, Supplier Code of Conduct and our Human Rights Policy establish our commitments to human rights and expectations for each individual working at ABB or engaging with ABB's business in the entire value chain. The ABB Human Rights Due Diligence (HRDD) Framework released in 2023 clarifies governance and how the commitment is executed in the organization.

In 2024, we continued our work to strengthen our human rights due diligence across ABB's entire value chain, as well as implementing the roadmap that was updated in 2023, following up on business areas risks analysis and identified salient issues. Further, we partnered with organizations like Global Business Initiative on Human Rights (GBI), International Code of Conduct Association (ICoCA), International Committee of the Red Cross (ICRC), and United Nations Global Compact (UNGC).

We worked to align the governance to the new HRDD framework and to the ABB Way operating model: a cross-business area Human Rights Working Group has been consolidated led by the Motion business area and integrated into the broader ABB Sustainability governance. Each business area is represented to ensure core and common aspects are jointly agreed, and that we can drive the human rights agenda consistently across the organization and divisions. Our Human Rights Champion network, established in 2019, continues to grow and to support the business in dealing with human rights challenges. It is a strategic tool to test the effectiveness of human rights programs and to get valuable feedback for continuous improvements.

In 2024, we continued offering general human rights training to all employees and managers, including specialized procurement training on topics like child labor and modern slavery. We also launched a new training course on the updated ABB Human Rights Policy; in total 7,313 training sessions were completed, totaling 5,503 hours.

A refresher training for division leadership teams was deployed, with around 60 percent of divisions trained, and this program will continue into 2025. We also focused on human rights and security, with 62 percent of Security Council members completing a module on the use of force by private security providers through the ICoCA training platform, and 95 percent of ABB security managers completing a new module on child labor.

In 2024 we revised our human rights training offering, developing new virtual modules for sales, operations, and procurement functions. These modules are aligned with our salient issues, like modern slavery and child labor, and are part of a new training matrix to be deployed in 2025. Our partnership with ICoCA also promotes their human rights and security training to ABB managers in high-risk countries where ABB has a physical presence.

In operations, we published the new Human Rights Requirements and ACOP (Approved Code of Practice) to enhance human rights due diligence in ABB operations. This initiative will be followed up by a new wave of site assessments to ensure execution of defined requirements aligned with the new ABB Human Rights Policy.

In sales, we continued screening human rights risks in sales opportunities, gathering feedback on current processes and challenges of the organization and designing a new proposal to be tested in 2025 for further improvement.

→ For further information on these two programs, please refer to the Responsible Sourcing section of this report.

To address human rights risks related to our suppliers, we rely on our Sustainable Supply Base Management program and our conflict minerals management program.

The grievance mechanism and the remediation process, including for harassment, forced labor, child labor and other human rights related incidents reported through our Business Ethics helpline, are included in the statistics about reported incidents in the "We embed a culture of integrity along the extended value chain" chapter.

In 2024, there were no reported incidents of child labor with respect to our employees.

→ For information about findings of non-conformance within our supply chain, please refer to the Responsible Sourcing section of this report.

In 2024, four concerns of forced labor, compulsory labor and child labor relating to supply chain providers were identified. Two remain under review and two concerns were not substantiated.

Labor rights among our employees
Approximately 45 percent of ABB's employees worldwide are covered by collective bargaining agreements (CBAs), either by collective labor agreements at the industry level (generally with unions) or at the company or location level (generally with employee representative bodies such as works councils or unions). Approximately 34 percent of employees are covered by internal employee representatives. In addition, the European Works Council represents more than 50,000 ABB employees, covering the majority of employees in countries belonging to the European Economic Area (EEA), UK or Switzerland.

For employees not covered by collective bargaining agreements, there are different scenarios regarding the determination of working conditions. In many countries where not all employees are represented by the CBA, the conditions in the CBA that go beyond local labor market practices are considered in determining working conditions and terms. Regardless of the application of a CBA, ABB in general aims to offer working conditions that meet or exceed the typical standards in the respective local employment markets.

OUTLOOK

Maintaining a respectful, inclusive and diverse working environment while promoting the wellbeing of our people, maximizing safety, investing in professional and personal development and taking care of the communities where we operate will remain key to the success of ABB's value proposition. To further progress on our targets related to promoting social progress, we intend to:

- Continue to deploy human rights trainings to leadership teams.
- Continue to enhance our human rights due diligence across ABB's value chain.
- Continue to increase the number of women in senior management.
- Continue to expand programs for community engagement.
- Increase our focus on avoiding incidents that have the potential to do serious harm to our employees and contractors.

We embed a culture of integrity and transparency along the extended value chain

At ABB, integrity and transparency define how we do business. They are the foundation of our Sustainability Agenda and underpin our value creation. We recognize the importance of doing business ethically and maintaining ethical business relationships. In 2024, we built upon the actions we took in 2023, with a focus on embedding integrity processes within each of our business areas. In this chapter, we highlight key actions taken in 2024 to strengthen a culture of integrity and transparency along our extended value chain.

You are here in the value creation model.

HIGHLIGHTS

Third Party Management (TPM)
This year, we enhanced the TPM framework and tested its implementation, developing comprehensive monitoring and risk mitigation guidance.

Legacy risk management
In 2024 we focused on risk management of our legacy suppliers and sales channel third party relationships.

Bespoke business areas risk management plans
Our business areas developed specific plans to monitor and mitigate their third-party risks with a focus on resourcing for sustaining operations.

Integrity culture
We strengthened our integrity culture in 2024 by revamping our Straight Talk program for all-employee learning, enhancing risk specific training for sales employees, and shared greater investigation insights for transparency, awareness and risk management.

Data analytics and integrity risk monitoring
ABB uses various tools and platforms to track progress and drive performance in regard to our integrity approach. Our continuous monitoring platform allows us to analyze potential integrity risks based on continued risk assessment and lessons learned from past cases.

In 2024 we enhanced our Risk and Implementation Dashboards to allow us to monitor a broader range of metrics. The increased availability of this data allows our organization to proactively identify integrity risks and opportunities and analyze trends and program enhancement outcomes.

Supplier Code of Conduct
In 2024, our updated Supplier Code of Conduct went into effect. To support the roll-out, we organized high-level training sessions for our suppliers in multiple languages. Several deep dive trainings covering different topics of the supplier code were developed and made available for ABB personnel.

Sustainable Supply Base Management
To align with our updated Supplier Code of Conduct, we have thoroughly reviewed and updated the assessment protocol for on-site supplier assessments.

In line with changes in country risk profiles, ABB product portfolio and supplier base, we have reviewed and updated our list of focus countries.

INTEGRITY

→ See ABB's Code of Conduct and Supplier Code of Conduct.

We continuously work on improving and enhancing our Global Integrity Program through controls, processes and a culture that deters non-compliance behavior and drives transparency and sustainable business. Our five core Integrity & Regulatory Affairs procedures include oversight and responsibilities for accountability, as well as procedures related to third-party management, data privacy, conflicts of interest and global trade. We have defined five integrity principles that guide everything we do at ABB:

1. **We behave and do business in an ethical way.**
2. **We work in a safe and sustainable way.**
3. **We build trust with all stakeholders.**
4. **We protect ABB's assets and reputation.**
5. **We speak up and do not retaliate.**

The ABB Code of Conduct is our individual and collective commitment to uphold the highest standards of business ethics throughout our global value chain. It guides our employees, business partners and suppliers to do business with integrity.

Our Global Integrity Program includes integrity learnings and communications. The learning modules are delivered in a virtual e-learning format as well as face-to-face. We actively promote self-driven learning for all employees, supplemented by bespoke and role-specific mandatory training for those that face higher integrity risks. Alongside these integrity-focused learning modules, managers at all levels of the company are expected to model integrity behaviors and hold team discussions to ensure that our teams understand what is expected when it comes to ethical conduct and treating people with respect. Integrity Committees in all business areas and divisions support this approach.

In 2024, we continued to develop our integrity learning programs and focused on strengthening our integrity culture. This included revamping our Straight Talk learning platform, which continues to provide impactful real-life integrity learnings at ABB in support of our speak-up culture. We also created a new antitrust foundation training, and added other new integrity content on behavior drivers to the integrity awareness portal. Our business areas also implemented tailored integrity learning programs for their teams, based on their bespoke risk management plans.

We enhanced our Business Ethics Helpline and reporting capabilities. We empowered business area teams to directly conduct investigations to increase accountability for workplace behavior within those business areas.

To track potential indicators of the effectiveness of our integrity-related initiatives, and assess risk, we utilize data analytics. Our Integrity Analytics Report, a live dashboard available throughout ABB via our integrity web portal, provides insights into our integrity program performance and is available to our employee population. Our Investigation Dashboards are also made available to the appropriate stakeholders as part of our risk assessment and management strategy. Risk assessment abilities were further enhanced in 2024 with the creation of the Risk Monitoring Dashboard. This dashboard supplements the existing integrity and investigations metrics with additional metrics and risk scoring capabilities to identify potential areas of heightened risk for business focus.

In 2024, our trust and engagement KPIs were as follows for the period 2021–2024:

- **Trust KPI** – the rate of severity level 1 and 2 investigations where the reporters disclosed their identity, as a measure of trust in the reporting system and integrity program: 55 percent of reporters as compared to 60 percent in the period 2021–2023.
- **Engagement KPI** – the volume of unique visitors on the Integrity Awareness Portal for integrity learnings: 82 percent of employees with online access, as compared to 80 percent in the period 2021–2023.

Anti-Bribery & Anti-Corruption

ABB has a "zero tolerance" policy towards unethical business behavior including any form of bribery or corruption. Having a robust anti-bribery and anti-corruption (ABAC) control framework and a strong ethical culture is essential for ensuring that we comply with our legal responsibilities and preserve our license to operate. Our ABAC training program centers on the upskilling of employees in gatekeeper functions and customer facing roles across ABB. The ABAC training program aims to enhance core ABAC competencies while highlighting the critical role these individuals play in upholding our integrity culture and compliance obligations. Our actions to enhance our culture of integrity continue to focus on:

- remediating the root causes of misconduct, through internal control enhancements at the local level where they occurred, and through global process enhancements where appropriate;
- applying learnings to drive company-wide awareness, workplace safety and a strong culture with individual accountability for integrity;
- innovating ABB's monitoring and testing activities and the platforms and tools we use for strong risk management and integrity assurance, including our continuous monitoring platform, aimed to detect integrity risk, with a specific focus on ABAC and fraud risks, by leveraging risk algorithms as applied to company data points across many company systems.

In 2024, we continued to embed our enhanced ABAC policies and procedures within our business areas and tested their implementation. We developed business area risk management plans, tailored to mitigate the risks specific to their businesses, and focused on risk management of our legacy third party relationships.

We completed the second year of our Deferred Prosecution Agreement (DPA) with the United States Department of Justice (DOJ) and Securities and Exchange Commission (SEC) pursuant to a rigorous work plan focused on these enhancements and innovations for operational sustainability. Under the DPA, for the three-year period, we will continue to self-report on continual enhancements to our integrity program to ensure that our controls, processes and culture serve as effective deterrents to bribery and corruption and support transparent sustainable business.

Our integrity program goes beyond ABAC and workplace behavior and includes trade and antitrust as well as data privacy and cyber security.

ABAC FRAMEWORK

Area of Risk	Donations & Sponsorships	Gifts, Travel & Hospitality	Third Party Management	Books & Records / Internal Controls	Facilitation and Safety Payments	Conflicts of Interest and HR Payments	M&A and Joint Ventures	Tender Risk Review and Project Review
ABAC Program Objectives	Ethical business	Stakeholder trust		Transparent value chain		Protect license to operate	Speak-up culture	
ABAC Program	Organization, Roles & Responsibilities	Policies and Procedures	Risk Management & Oversight	Communication, Training and Awareness	Risk Assessments	Data Analytics and Monitoring	Reporting Channels	
Core Governing Policy & Procedures embedding ABAC controls	Code of Conduct							
	Global Policies and Procedures							
Local requirements (country-specific)	Beyond the global ABAC program represented, ABB's business areas, divisions, and some countries also have policies, procedures and controls that provide further risk mitigation.							

Trade compliance program
We act in a global environment and comply with applicable trade laws and regulations, including those relating to import and export controls, trade sanctions and customs procedures, and we expect our business partners to do the same. As reflected in ABB's Code of Conduct, ABB's Trade Compliance framework includes our Global Trade Compliance Procedure (GTCP), specific instructions and guidance documents for the business to embed trade compliance requirements into day-to-day processes. The extensive network of trade officers work together with other functions across the organization providing advice, raising awareness by delivering training, disseminating regulatory updates and in general, supporting the implementation of processes and controls intended to mitigate trade risks.

Antitrust compliance program
ABB's antitrust compliance program is guided by a suite of guidance notes, procedures and internal controls specifically addressing ABB's global antitrust risks. These are integrated into ABB's culture and internal controls through dedicated training of legal and business communities, the provision of specific expert antitrust advice as well as regular internal exchange forums to raise awareness of antitrust topics of relevance to our operations. Our antitrust experts work closely with our colleagues from ABB's investigations practices to facilitate the identification, investigation and remediation of any antitrust concerns. Importantly, a strong antitrust ethos permeates ABB's mergers & acquisitions activities, including through the performance of due diligence prior to investments, acquisitions or joint ventures, to support healthy and compliant company growth.

Data privacy and cyber security
We ensure the protection of customer, employee and other individual privacy and personal data and implement robust measures to protect their rights and safeguard against cyber threats. Respecting the right to data protection is a priority for us and we have adopted global data protection standards to ensure a high, standardized level of protection for personal data. We monitor and review compliance with data, privacy and cyber security laws, by means of data protection audits, assessments and other controls. All ABB employees are made aware of the basics of data privacy and cyber security with specialized learning available to all employees and job-specific training provided for selected job functions.

Grievance and remediation
At ABB, we are committed to a culture of ethics and transparency and encourage our people to speak up. We offer multiple channels for our

stakeholders to report integrity violations and non-compliance with our Code of Conduct. We intend to make this process as straightforward and seamless as possible. Confidential reporting processes are available for both employees and our broader community of stakeholders, including options for anonymous reporting. Our commitment to non-retaliation applies whenever someone has raised a potential integrity concern in good faith, including cooperation in an investigation.

ABB's business ethics helpline permits web and phone reporting and is operated by an independent service provider, which forwards the report to a dedicated investigations team within the Legal & Integrity function at ABB headquarters or, in EU countries where required by law, to a local representative of the chosen ABB partner company. All reports are subject to appropriate review and are brought to full closure using systematic processes and tracking systems so that due process is followed across our internal investigations. An employee or stakeholder who files a report can follow up on the status of their report and continue to engage with the ABB investigator using a personal PIN. The helpline permits reporting on conduct relating to all aspects of the ABB Code of Conduct, including corruption, fraud, trade compliance, antitrust, data privacy, workplace behavior, human rights, environment, occupational health and safety violations, workplace violence, and more.

Incidents reported in 2024

We have seen an increase in total incidents reported to our business ethics helpline since 2022. We attribute this to an increased confidence in our reporting and allegation management processes coupled with more in-person interactions in the wake of the pandemic. In 2024, incidents reported were structured into the following categories (as well as more detailed subcategories within each of these) to ensure appropriate attention, resourcing and internal escalation:

- Antitrust & fair competition
- Bribery benefiting ABB
- Commercial integrity & regulatory
- Fraud: non-self-dealing
- Fraud: self-dealing
- HSE & security
- Human resources
- Non-integrity issue
- Other integrity issue

The following table provides an overview of the number of incidents reported through our Business Ethics Helpline.

Business Ethics Helpline	In 2024
Incidents reported	2,242
Incidents closed	2,578

The themes of trafficking in human beings, forced labor, compulsory labor and child labor are all addressed in the ABB Supplier Code of Conduct. In 2024, four concerns of this nature relating to supply chain providers were identified. Two remain under review, and two concerns were not substantiated.

RESPONSIBLE SOURCING

→ See ABB's Supplier Code of Conduct.

ABB is committed to sourcing responsibly and will only work with suppliers that share our commitment to integrity, sustainability and human rights and have agreed to the requirements set out in the Supplier Code of Conduct. Therefore, the ABB Supplier Code of Conduct is part of our procurement terms and conditions as well as our supplier qualification, development and evaluation requirements.

The ABB Supplier Code of Conduct was updated in 2023 and became effective on January 1, 2024. It explains in detail what we expect of our suppliers. The updated version addresses the latest changes in regulatory requirements such as the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG) and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). It also acknowledges the international human rights and environmental guidance and conventions, takes account of stakeholder expectations and emphasizes the role of suppliers in preventing and mitigating sustainability risks, especially when it comes to upholding human rights and reducing GHG emissions. The updated implementation guide for the Supplier Code provides suppliers with hands-on advice on how to fulfill ABB's requirements and facilitates the effective implementation of the Supplier Code of Conduct.

In seeking to prevent human rights violations in our supply chain, we substantively revised the section on "Human rights and decent work" in our Supplier Code and included more specific requirements regarding modern slavery, harassment, discrimination and diversity, as well as the rights of local communities and vulnerable groups. Furthermore, a section on "Climate and environment" was added to reflect our intensified efforts to mitigate climate change. We have expanded the list of potential environmental impacts to include topics of growing interest to our stakeholders, such as GHG emissions, circularity, biodiversity and deforestation. The updated Supplier Code explicitly requires suppliers to disseminate and enforce these requirements across their own supply chains and to report any suspected violations. At the start of 2024, we provided high-level awareness training to our suppliers, followed by deep dive trainings for ABB employees later in the year, covering different topics of the Supplier Code, such as child labor and modern slavery. In 2025, we will make deep dive trainings available more generally and focus on providing these trainings to our suppliers.

After performing a risk review, we updated our list of focus countries to reflect both the changed composition of the ABB supplier base and changes in risk levels of countries our suppliers are based in. Implementation activities are ongoing for newly added countries.

We use our Third Party Management program to assess and manage risks as well as to onboard and monitor engagement with third parties across the entire value chain, including upstream (suppliers) and downstream (customers). It involves the following elements:

- Risk-based front-end due diligence prior to considering engagement;
- Appointments subject to structured approval processes;
- Standard agreement that should include anti-bribery provisions, audit rights and the right to terminate agreements for any violation; and
- Risk-appropriate monitoring over the life cycle of the engagement.

The ABB Sustainable Supply Base Management (SSBM) Program is part of ABB's Third Party Management approach. As part of the SSBM program, we assess suppliers for their sustainability performance and mitigate risks identified. This involves a supplier self-assessment during the onboarding process, and subsequent further due diligence in case of high-risk scores, including mandatory onsite audits according to the Generic Protocol in focus and high-risk countries. Additionally, we perform sustainability assessments in focus countries on existing suppliers using the SSBM Country Specific Assessment Protocol. In 2024, we updated this protocol to align with the updated requirements in the Supplier Code.

After adjusting the SSBM Country Specific Protocol in 2023 to permit audits of temporary labor suppliers, we continued with pilots in multiple countries.

As reported in 2023, an audit conducted in one pilot country resulted in finding instances of local labor law violations at a temporary labor supplier. In alignment with the ABB Human Rights Due Diligence Framework and the ABB Supplier Code of Conduct, we worked with the supplier to ensure understanding of ABB requirements, and to define and implement corrective actions. In 2024, the case was internally escalated, and a decision was taken to compensate all of the supplier's impacted employees linked to ABB operations and to terminate the relationship with the supplier. As result of this case and other pilot audits, the external labor provider category is now included into the SSBM audit scope, and the case is used in internal human rights training as a learning for leadership and procurement teams.

To understand risks related to our upstream supply chain, we conducted a few pilot assessments at Tier-2 suppliers. We will continue with this pilot in 2025. At the end of 2024, we reviewed the top ten non-conformities identified during on-site assessments in the years 2021 to 2024. This list will inform our interventions with suppliers in 2025. Outcomes of cases reported to our Business Ethics helpline (see Human Rights section for details) will be used for the same purpose.

At the end of 2024, 68 percent of our spending on high-risk suppliers in focus countries was covered by our SSBM program, and 87 percent of identified risks were closed.

TRACKING RESPONSIBLE SOURCING

	2024	2023
Suppliers assessed on site (number)	156	118
High-risk supply spending in focus countries covered by SSBM (%)	68	42
Risk closure rate (%)	87	88
Contracts terminated	12	7
Employees trained on responsible sourcing (SSBM)[1]	318	959
Supplier teams trained on responsible sourcing	791	95

1. Divided over different training programs

CONFLICT MINERALS AND CHILD LABOR

→ Read more in our ABB Policy on Conflict Minerals 2024.

Doing business with integrity and transparency means that materials intended for our products and services should be sourced and procured ethically. ABB is an active member of the Responsible Minerals Initiative, where we lead the Asia Smelter Outreach team. ABB commits to sourcing minerals and metals responsibly, as described in the ABB Policy on Conflict Minerals. We have established a "Conflict Minerals Compliance Program" based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas and other appropriate international standards. We actively work with our suppliers to ensure that any minerals contained in the products and materials supplied to ABB originate from conflict-free sources and to transition away from smelters and refiners that have been defined as high-risk.

Beyond 3TG (Tin, Tungsten, Tantalum and Gold) our program also includes Cobalt, and is being extended to also include Mica going forward.

In response to the requirements established by Art. 964j–l of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO), we have assessed our respective risk exposure and reached the following conclusions:

- The quantities of minerals and metals in scope of the aforementioned regulations which ABB imported into or processed in Switzerland in 2024 are substantially below applicable thresholds. Hence, ABB is exempted from specific due diligence and reporting obligations under the DDTrO in regard to conflict minerals.

- In 2024, as part of our continuous improvement program, we aligned our risk assessment to the salient issues and to the new Supplier Code of Conduct, and we extended the SSBM program to new focus countries. This approach confirms alignment with ILO Conventions 138 and 182 as well as the ILO-IOE Child Labour Guidance Tool for Business of December 15, 2015, and the UN Guiding Principles on Business and Human Rights. The aforementioned frameworks and standards include those which the DDTrO specifies as internationally recognized equivalent regulations for child labor. As a result of our adherence to these frameworks and standards, we are exempted from specific due diligence and reporting obligations under the DDTrO in regard to child labor.
- At the end of 2024, a concern of child labor related to our supply chain was received (this concern is also reported under the Human Rights section). This concern is under review.

OUTLOOK

Integrity and transparency are the foundations of our Sustainability Agenda. In 2025, we will further strengthen our approach and focus on the following initiatives:

- After updating our Code of Conduct and Human Rights Policy, we will drive implementation and listen to signals.
- Continue to work on enhancing our training offers, conducting new deep dive trainings aligned with our salient issues
- Enhance due diligence incorporating further minerals.
- Using our human rights roadmap, we will investigate technological solutions and artificial intelligence to strengthen the risk mapping of our value chains.

We help industries outrun – leaner and cleaner: case studies

ABB's advanced technologies are only as powerful as the ways in which they are applied and used to deliver value for our customers and the greater environment and society.

Our technologies support our customers across a variety of industries to be more productive, efficient and sustainable so they can outperform. Our automation technologies help improve productivity and efficiency of critical day-to-day operations. Our electrification technologies help decarbonize energy intensive industries, from power and manufacturing, all the way to transportation and buildings.

Through our Sustainability Agenda we deliver value to stakeholders by enabling a low-carbon society, supporting the preservation of resources and promoting social progress. Within these key pillars, we are working hard to enable the energy transition, decarbonize energy-intensive industries, promote principles of circularity and promote social progress.

In these pages, we present a selection of cases that exemplify how ABB's technologies have been applied to deliver on our customers' needs and on our own sustainability ambitions.

Sustainability pillars the project contributes to:

Low-carbon society

Preserving resources

Promoting social progress

ENABLING THE ENERGY TRANSITION

Through leading technologies, ABB is enabling the transition to a low-carbon society. We do so on a large scale, by implementing grid-level products and services, as well as changing how we power our every day. Our ambition is to address today's greatest energy-related challenges, delivering comprehensive solutions that enable the transition to green energy and ensuring grid stability as renewable energy sources come on board.

Low-carbon society

ABB's technology to stabilize the power grid as Spanish islands transition to green energy

A significant challenge of the clean energy transition is ensuring that existing power grids are able to take on new distributed energy technologies while maintaining stability. ABB has been working with Red Eléctrica, the Redeia company responsible for the transmission and operation of the Spanish electricity system (TSO), to smooth the grid's onboarding of intermittent energy sources on the Canary and Balearic Islands.

The advance of the energy transition in both archipelagos poses a challenge for the system operator which makes it necessary to reinforce the grid to maintain its balance and ensure reliable and resilient operations. ABB is working with Red Eléctrica to deploy a flexible, reliable and integrated solution through synchronous condensers. These rotating electrical machines mimic the operation of large generators to help stabilize the grid when loads and renewable energy production fluctuate.

The integrated solution, which also includes electrical and automation equipment, will be crucial for maintaining the stability, reliability and continuity of island grids as they integrate increasing levels of renewable energy.

The ABB Ability™ System 800xA® distributed control system will also play a key part in ensuring the stability of energy supplied from intermittent renewable sources.

The project is part of the Network Development Plan 2021–2026, the execution of which will allow the integration of 67 percent of renewable energy into Spain's generation mix.

Low-carbon society

Supplying key technology to Washington State Ferries' new electric vessels

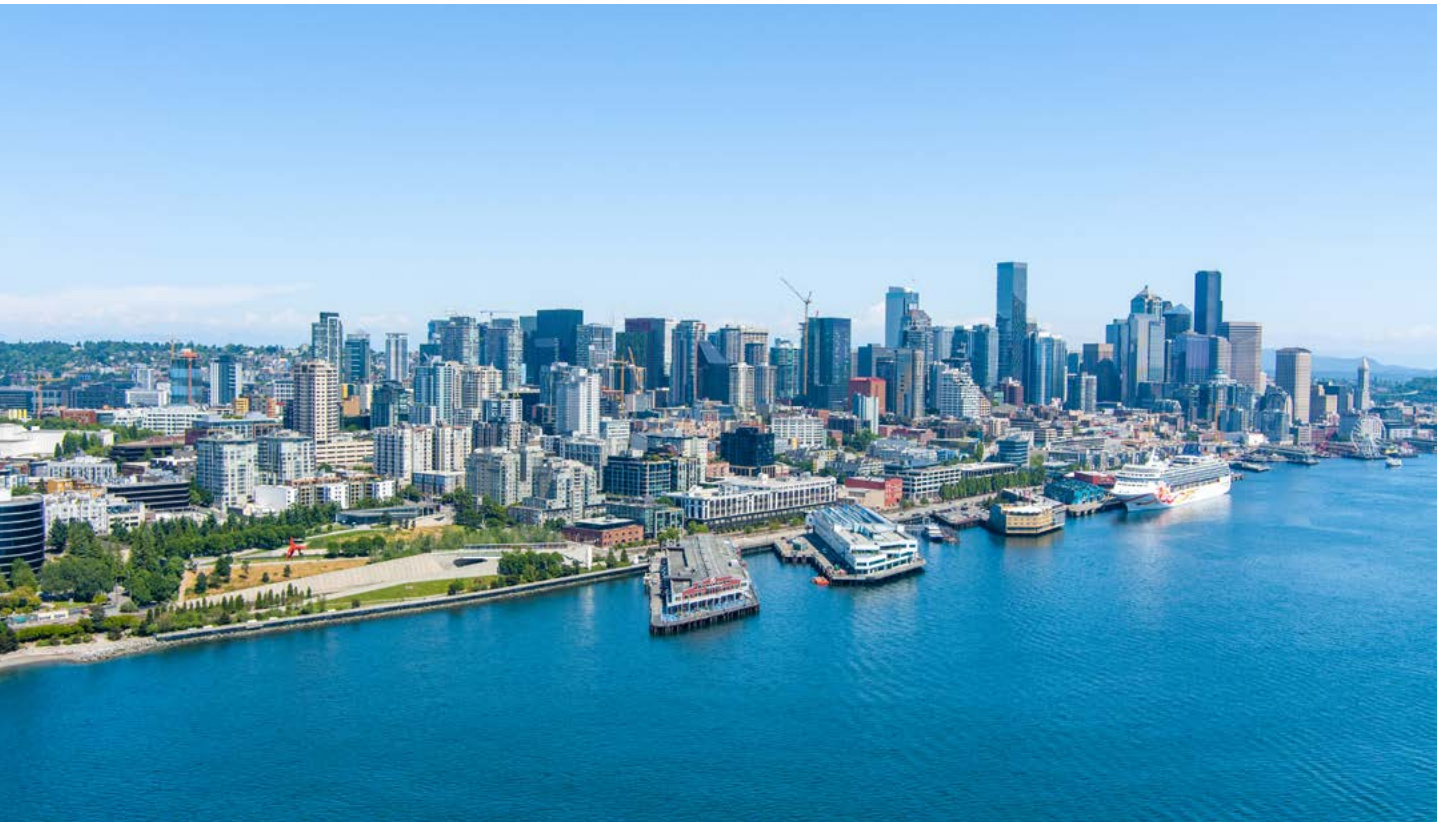
The maritime sector, responsible for about three percent of global greenhouse gas emissions, faces challenging net-zero targets. The International Maritime Organization aims for a 20-30 percent reduction by 2030 and net-zero emissions by 2050. Vessel electrification is part of the solution and is already well in use for vessels on shorter routes with access to charging infrastructure.

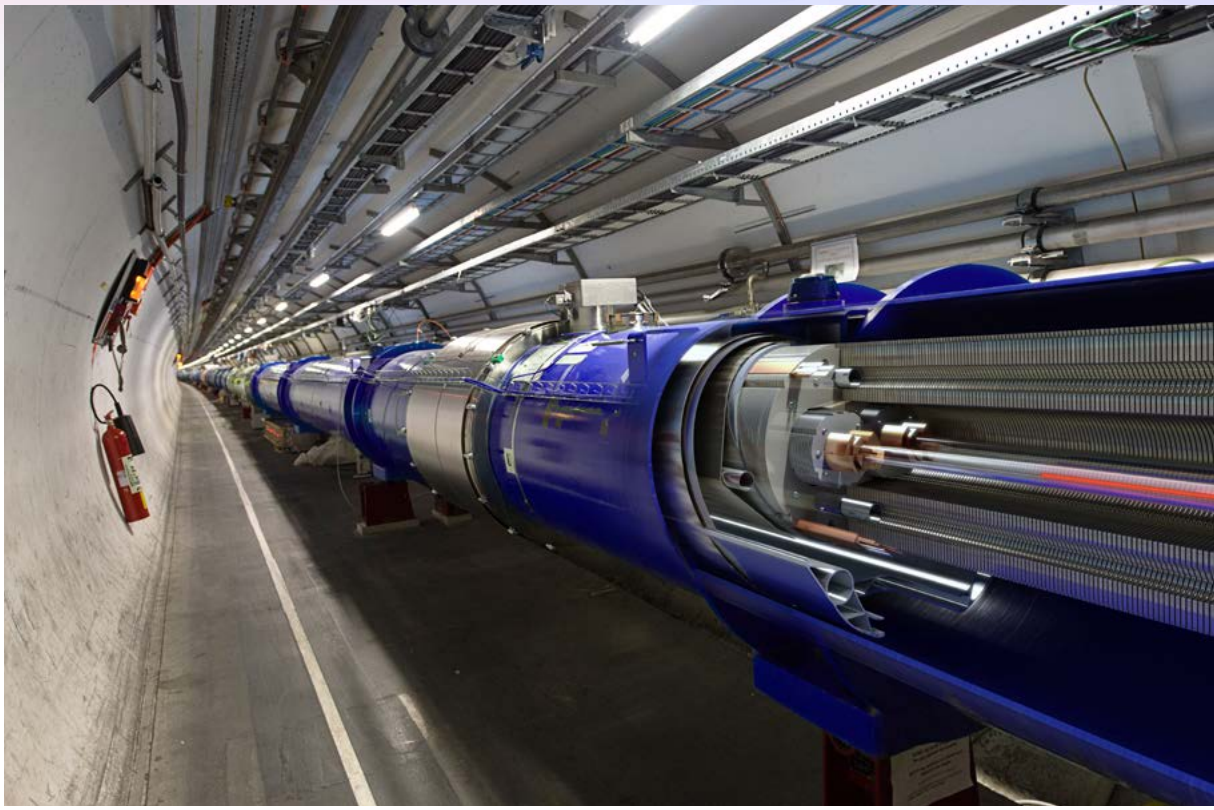
ABB is working with Washington State Ferries (WSF) which manages the largest ferry system in the United States, operating 21 auto-passenger ferries across 10 routes serving 19 terminals. ABB was selected as the single source vendor for the propulsion system of five new hybrid ferries. This partnership marks a significant step toward sustainable maritime transportation, with ABB playing an important role in the development and delivery of the five newly built vessels.

ABB will supply comprehensive hybrid electric propulsion systems that include the Onboard DC Grid™ power distribution solution, energy storage, advanced energy management and integrated marine automation.

The innovative propulsion package is designed to enhance operational efficiency, help reduce emissions and ensure reliable performance for the new vessels, thereby supporting our delivery of a low-carbon society. ABB will also deliver extensive design and engineering support, working closely with WSF to ensure seamless integration of the hybrid electric technology into the new ferries.

The five new hybrid electric ferries will be the first of 16 new vessels delivered as part of WSF's $3.98 billion Ferry System Electrification plan. The new ferries will play a crucial role in WSF's strategy to modernize its fleet and reduce its environmental footprint. By integrating ABB's propulsion systems, WSF aims to achieve significant reductions in fuel consumption and greenhouse gas emissions in pursuit of a zero-emission ferry fleet by 2050 in alignment with the state's broader environmental goals.





15-metre long dipole magnets create a magnetic field that steers the beam of particles around the LHC ring.
Image source: CERN

Low-carbon society | Preserving resources

ABB and CERN identify energy-saving opportunity in cooling and ventilation motors

The European Organization for Nuclear Research, or CERN, is the world's largest laboratory for particle physics. ABB has partnered with CERN to reduce the laboratory's environmental footprint and improve the performance of the research infrastructure. ABB and CERN have identified a significant energy-saving opportunity of up to 17.4% in the cooling and ventilation motors used at CERN's facilities, focusing on improving energy efficiency and reducing operational costs. By upgrading to high-efficiency motors and implementing advanced control technologies, the two organizations aim to dramatically improve the energy efficiency of systems critical to maintaining the cooling conditions for CERN's particle accelerators and other experiments.

The energy-saving potential stems from replacing outdated motors with ABB's energy-efficient models and utilizing digital monitoring systems for real-time optimization. This approach will not only reduce energy consumption but also minimize CO_2 emissions, contributing to CERN's sustainability goals. The energy savings will help lower operational costs and reduce the environmental footprint of the facility, preserving valuable resources.

The partnership highlights the importance of smart solutions for large-scale research facilities, where energy demand is high. ABB's digital motor control solutions will enable real-time monitoring and performance optimization, ensuring continuous energy savings over time. By enhancing motor efficiency, CERN can cut energy use, further aligning with its sustainability goals and improving the performance of its research infrastructure.

This initiative exemplifies the importance of digitalization, industrial automation and electrification technologies in driving energy efficiency, demonstrating how cutting-edge solutions can help reduce the environmental footprint of high-energy operations like CERN's. The collaboration is a step toward greener scientific research demonstrating a substantial energy savings potential across various industries.

DECARBONIZING ENERGY-INTENSIVE INDUSTRIES

ABB's biggest greenhouse gas (GHG) emissions footprint lies in our value chain through indirect emissions, in particular the use of sold products. Reducing our customers' emissions is therefore particularly important to ABB. As we consider the environmental impacts across our value chain, we aim to help our customers reduce their emissions, especially those in emissions-heavy industries such as metals and mining.

Low-carbon society

Partnership to support steel industry on its way toward low carbon

The steel industry produces one of the most significant materials for engineering and construction. As demand for steel grows, the decarbonization of the industry grows ever more important if we are to accelerate the transition to clean energy. ABB is supporting the steel industry in moving toward lower emissions intensities. In partnership with ArcelorMittal, a multinational steel and mining company, ABB is introducing ArcelorMittal's low-carbon steel in its Kabeldon power distribution systems. The XCarb® steel is made with 100 percent renewable energy and uses a minimum of 75 percent recycled steel. Through this sourcing agreement, ABB is supporting the steel industry's efforts to become more sustainable while reducing the environmental impact of its power distribution systems. By sourcing more sustainable alternatives for raw materials, the partnership contributes to both companies' efforts to achieve their net-zero targets. This partnership is part of a broader initiative by ArcelorMittal to decarbonize its operations and align with global sustainability goals.

Low-carbon society

Making the first battery-electric trolley truck system for underground mining a reality

In the mining sector, ABB has worked with Boliden and Epiroc to deploy the first fully battery-electric trolley truck system on an 800-meter-long underground mine test track in Sweden, bringing the industry a step closer to realizing the all-electric mine of the future.

The collaboration in Boliden's Kristineberg mine in northern Sweden marks a critical moment for the industry as it continues to face rising pressures to boost essential minerals and metals outputs while reducing carbon intensity and energy usage. By deploying the battery-electric trolley truck system, the collaboration partners aim to demonstrate that the underground working environment can be significantly improved, with fewer emissions, less noise and reduced vibration, all while reducing the total cost per ton.

ABB created the infrastructure from grid to wheel, including the electric trolley truck system design and the rectifier substation for the test track. The definition of standards and vehicle interface was jointly developed by the project partners. The eMine™ Trolley System also integrates with the distributed control system ABB Ability™ System 800xA® to monitor the electrical system.

As part of the collaboration, Epiroc has added dynamic charging to its battery-electric Minetruck MT42 SG and battery system, and the trolley solution is equipped with ABB's DC converter, inverters and motors to enhance the power.

Boliden intends to implement a full scale, autonomous electric-trolley system in the Rävliden mine, a satellite orebody and extension of the Kristineberg mine. The total distance will be 5 km at a depth of 750 meters. Once achieved, not only will Rävliden have significantly less carbon emissions compared to a mine using conventional technology, it will also be part of setting a standard for new mines.

Low-carbon society

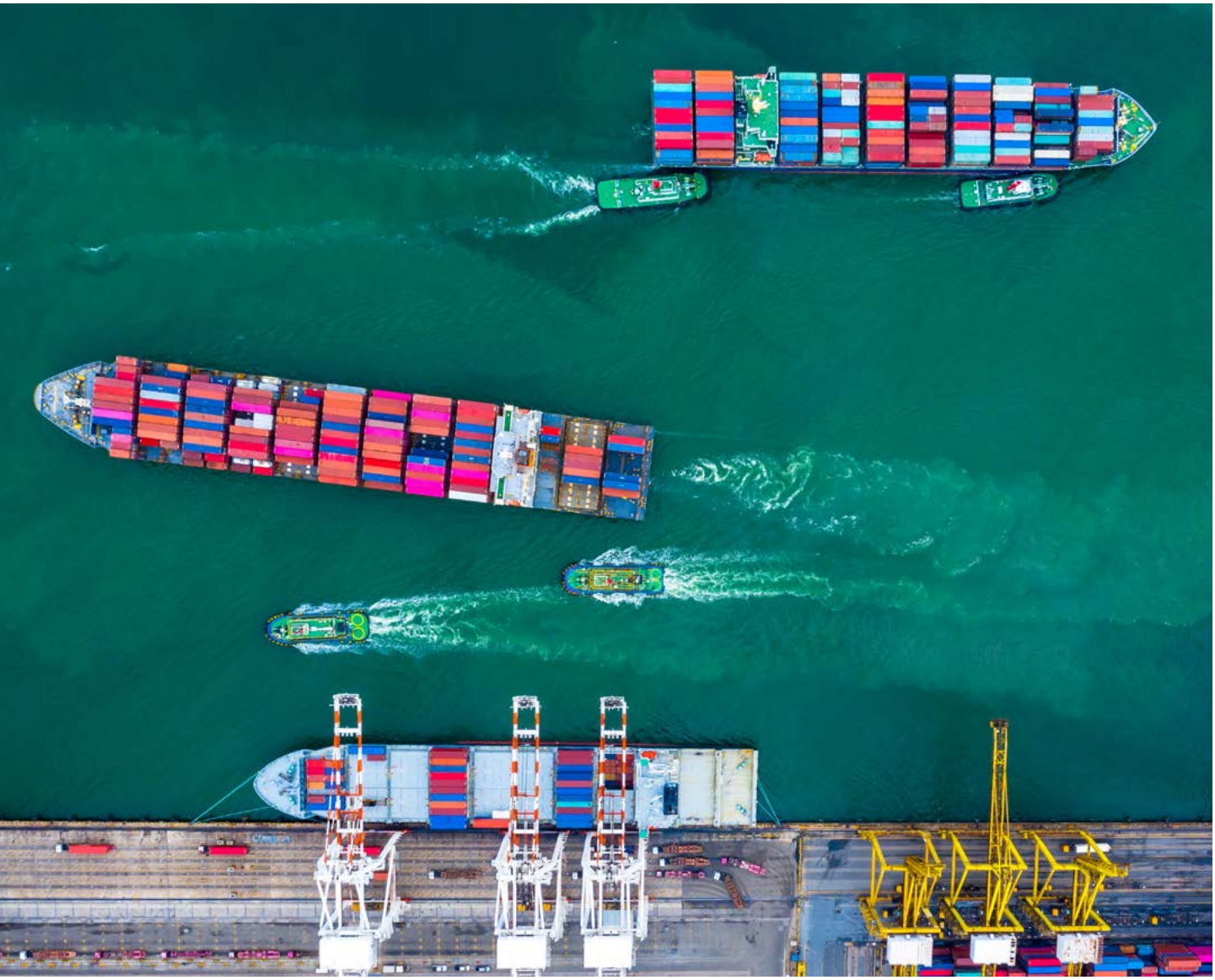
Leveraging artificial intelligence to optimize ship-port operations

While the maritime industry is taking steps to decarbonize operations during vessels' transit, there are also significant opportunities to reduce the negative environmental impact in ports. One issue that leads to increased emissions is a pattern where ships are instructed to proceed without delay to port, only to face a wait upon arrival because the berth is not available. During this wait, they continue using fuel, which generates additional emissions.

Despite advancements in smart ship technology and high levels of port automation, the relationships between port and ship systems lack transparency, with data on voyage and berth management often confined to closed platforms.

ABB is addressing this challenge in collaboration with optimization platform company Awake.AI and ship management company Wallenius Marine, and as part of the Decarbonization through Digitalization in Shipping (DECARDIS) project, initiated by the European Space Agency.

The DECARDIS project aims to develop an integrated and interoperable solution to synchronize decisions on ship routing and speed with just-in-time arrival at the berth. It seeks to optimize an entire voyage and port calls, rather than just a portion of it. Adopted globally, DECARDIS partners estimate that such a solution could help achieve significant emission reductions for the industry.



PROMOTING PRINCIPLES OF CIRCULARITY

Circularity is an approach that would allow us to live more within our planet's means. Instead of a linear "take-make-waste" model of production and consumption, circularity aims to keep resources in use by "designing out" waste and pollution, keeping products and materials in use and regenerating natural systems. ABB is striving to drive circularity, focusing on preserving resources and reducing environmental impact. Through our products and services, we are supporting process and material modifications that enhance the life span of existing products and emphasize reuse, refurbishment and recycling, instead of relying on new manufacturing. This approach helps conserve valuable raw materials, reduce waste and lower carbon emissions.

Low-carbon society | Preserving resources

Thinking outside the box: driving circularity across the Nordics

A key part of ABB's strategy for promoting circularity involves refurbishing electrical equipment, such as transformers and switchgear, extending their life cycle and minimizing the need for new resources. This circular approach reduces the consumption of raw materials and helps companies achieve sustainability goals by decreasing the amount of waste sent to landfills. ABB partners with businesses to integrate circular principles into their operations, optimizing the efficiency and lifespan of equipment.

ABB is leading efforts to drive circularity in the Nordic region. An example of this can be seen in ABB's partnership with thermoplastic compounds provider Polykemi. ABB is integrating Polykemi's innovative recycled thermoplastic compound into the manufacturing of its junction boxes at the Porvoo factory in Finland. Through alternative materials sourcing, it is estimated that the product's carbon footprint has been reduced by 40 percent throughout the entire life cycle. At the same time, less water is used during production, reducing the product's overall water intensity. The ABB boxes retain their quality and functionality, even at temperatures as low as 25 degrees Celsius below zero.

The company is also leveraging digital technologies to improve product performance and maximize energy efficiency, further supporting resource conservation. By adopting these practices, ABB helps industries transition toward a low-carbon economy while reducing their reliance on finite resources and generating economic benefits.

Preserving resources

ABB builds a strategic partnership with Sweden's leading pulp manufacturer to reach new levels of efficiency

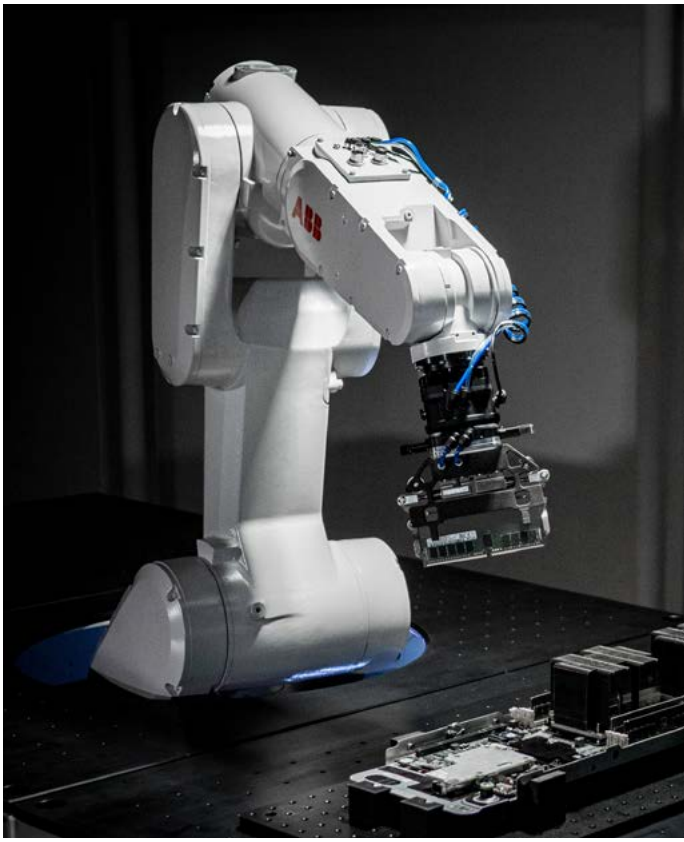
ABB is also applying its solutions to optimize and reduce resource use in the pulp and paper manufacturing industry by working with one of the world's leading producers of paper pulp and dissolving pulp, Södra Cell. Södra Cell's mill bleach plant, located in Värö, Sweden, will work with ABB to implement optimization control with the aim of developing new levels of efficiency, engagement and digitalization. The delivery from ABB includes extended functionality for the ABB Ability™ System 800xA® distributed control system through the implementation of advanced process control (APC) for the bleaching process at the mill in Värö. The solution has previously been successfully implemented at Södra Cell's pulp mill in Mönsterås, Sweden, where digesters and bleach controls have been optimized resulting in improved process stability and reduced resource consumption. The aim is a more stable, optimized bleaching process with reduced variation of brightness and reduced chemical consumption, as well as improved digesting processes.

Preserving resources

Tackling data center e-waste with robotic microfactories in collaboration with US start-up Molg

With global electronic waste (e-waste) projected to rise to 75 million tons by 2030, ABB is supporting the reduction of electronic waste in data centers. As the number of data centers grows, outdated hardware contributes to increasing e-waste. In partnership with Molg, a start-up from the United States, ABB is developing robotic microfactories, designed to efficiently disassemble and recycle obsolete electronic components. The robotic microfactories use ABB's advanced robotics and automation technologies to automate the disassembly process, enabling the recovery and reuse of materials like copper, gold and rare earth metals, minimizing resource depletion.

The system is scalable and flexible, enabling data centers to integrate these robotic solutions directly into their operations for in-house recycling. This approach not only reduces e-waste but also helps companies recover valuable materials, thus preserving resources and contributing to a circular economy.



Low-carbon society | Preserving resources

Low-carbon zinc

Zinc is an important metal for the steel industry as it is used to galvanize steel structures, thereby maximizing the operating life. Because metal manufacturing is associated with high emissions, low-carbon alternatives are critical to a fossil-free and circular economy. ABB is using low-carbon zinc in its low-voltage power distribution systems produced by our partner Boliden, a Swedish mining and smelting pioneer. Boliden uses renewable-powered electricity to produce zinc with a carbon footprint that is 75 percent lower than conventional zinc. In turn, Boliden is electrifying its operations with ABB solutions to drive efficiencies across its supply chain and lower its climate impact. ABB's distribution systems galvanized with this low-carbon zinc can also be found in Boliden's mines where the zinc ore is extracted. Together, both companies are helping to support reduced emissions in the metals industry and make the electrical infrastructure more sustainable.

LEVERAGING ADVANCED TECHNOLOGIES TO PROMOTE SOCIAL PROGRESS

ABB's technologies promote social progress by supporting people in accomplishing challenging tasks and creating new job opportunities. Our robotics and automation solutions help workplaces reduce time spent on the most challenging elements and streamline their operations, thereby reducing costs and empowering workers.

Promoting social progress

ABB's GoFa™ cobots create jobs at sheltered workshop in Belgium

ABB's GoFa cobots are collaborative robots for close and safe collaboration between human and robot. Used at a sheltered workshop by the social enterprise CSTMR, the GoFa cobots are supporting workers with disabilities to perform tasks that would otherwise be difficult for them due to physical or cognitive challenges. The GoFa augments human capabilities, allowing employees to focus on tasks that require creativity and problem solving, while the robots handle routine operations. By handling repetitive or physically demanding tasks, the GoFa cobots empower workers to take on more complex roles that were previously inaccessible. This initiative showcases how automation and robotics can play a key role in social integration, creating new job opportunities and improving the quality of life for people with disabilities.

Low-carbon society Preserving resources

Promoting social progress

ABB Robotics teams with innovative tech start-up to deliver sustainable and affordable housing

Our robotics and automation solutions have also been used to make the construction of affordable housing more cost-effective and sustainable. ABB has partnered with AUAR, an innovative technology start-up based in the UK, to reduce key aspects of construction through automation, thereby streamlining the building process and reducing labor costs. ABB robots are used in assembly of modular, prefabricated units, meaning homes can be quickly assembled with fewer resources, leading to less material waste. Simultaneously, ABB is providing solutions that reduce energy demand, integrating smart technologies into the housing units so that homeowners are able to optimize power use.

This collaboration represents a significant step forward in the construction industry's transformation, demonstrating how robotics and sustainable design can be combined to address both housing shortages and environmental challenges. By making affordable housing more accessible and eco-friendly, ABB and AUAR are setting a new standard for sustainable urban development.

Promoting social progress

NAMTECH and ABB Robotics Sign Memorandum of Understanding to Establish School of Robotics

As a leading technology company, ABB understands the importance of up-skilling the workforce of tomorrow.

ABB is encouraging social progress by fostering education and innovation around robotics. In collaboration with New Age Makers' Institute of Technology (NAMTECH), ABB will provide programs and resources for individuals and organizations in India to enhance knowledge and skills-building in robotics, automation and digital technologies. NAMTECH and ABB Robotics have signed a Memorandum of Understanding (MoU) to establish a School of Robotics aimed at advancing robotics education and fostering innovation in the field. The school will be opened in 2025.

The goal is to support the development of a skilled workforce capable of addressing the challenges of the digital era across various sectors, including manufacturing, logistics and healthcare. The school will offer a range of educational opportunities, including certification courses, hands-on training and advanced robotics workshops. These programs are designed to equip students, professionals and businesses with the expertise needed to navigate the growing demand for automation and robotics solutions across various industries.

04

GOOD GOVERNANCE

CORPORATE GOVERNANCE

ABB is committed to the highest international standards of corporate governance. This is reinforced in its structure, processes and rules, as outlined in more detail in ABB's Corporate Governance Report.

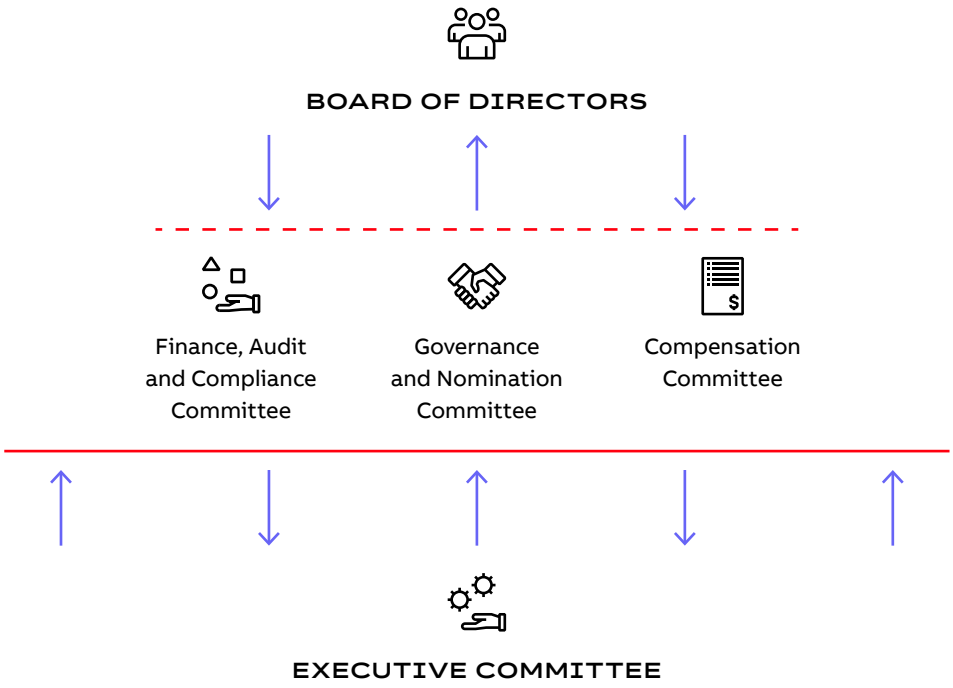
→ More information about our sustainability governance structure can be found in our Sustainability Statement 2024.

ABB complies with all relevant frameworks, including the Swiss Code of Obligations, the Swiss Code of Best Practice for Corporate Governance and the rules of the capital markets where its shares are listed. Governance principles are also anchored in various ABB corporate documents, such as its Articles of Incorporation, its Board Governance Rules and its policies and procedures.

Strong corporate governance is not only necessary to ensure compliance with applicable legal requirements but is indispensable for creating sustainable value. We are convinced that our established governance culture helps ABB successfully manage its business and realize opportunities for the benefit of all of its stakeholders.

The foregoing also applies to sustainability. ABB has a robust sustainability governance structure from its Board of Directors through to its operating divisions. Our Board of Directors reviews and approves the Sustainability Agenda and related targets. The ABB Group Executive Committee validates the Sustainability Agenda, is responsible for its implementation and ensures that a sustainability culture is embedded in our business decision making. The Sustainability Council is the operational body that oversees implementation of the Sustainability Agenda, reviews developments and monitors progress toward targets. In line with the ABB Way and our decentralized operating model, our four business areas and their divisions are ultimately accountable for putting action plans in place and ensuring that appropriate resources are available to implement these plans and deliver on our targets.

ABB GOVERNANCE STRUCTURE



OUR BOARD MEMBERS (AS OF DECEMBER 31, 2024)

Peter R. Voser
- Chairman of ABB's Board of Directors since 2015
- Chairman of the Governance and Nomination Committee
- Swiss citizen

David Constable
- Member of ABB's Board of Directors since 2015
- Member of the Compensation Committee
- Canadian and US citizen

Frederico Fleury Curado
- Member of ABB's Board of Directors since 2016
- Chairman of the Compensation Committee
- Brazilian and Portuguese citizen

Lars Förberg
- Member of ABB's Board of Directors since 2017
- Member of the Governance and Nomination Committee
- Swedish and Swiss citizen

Johan Forssell
- Member of ABB's Board of Directors since 2024
- Member of the Governance and Nomination Committee
- Swedish citizen

Denise Johnson
- Member of ABB's Board of Directors since 2023
- Member of the Finance, Audit and Compliance Committee
- US citizen

Jennifer Xin-Zhe Li
- Member of ABB's Board of Directors since 2018
- Member of the Governance and Nomination Committee and Compensation Committee
- Canadian citizen

Geraldine Matchett
- Member of ABB's Board of Directors since 2018
- Member of the Finance, Audit and Compliance Committee
- Swiss, British and French citizen

David Meline
- Member of ABB's Board of Directors since 2016
- Chairman of the Finance, Audit and Compliance Committee
- US and Swiss citizen

Mats Rahmström
- Member of ABB's Board of Directors since 2024
- Member of the Finance, Audit and Compliance Committee
- Swedish citizen

BOARD OF DIRECTORS

ABB's Board of Directors is responsible for the strategy of the company. It is a truly diverse board: all members represent a broad variety of geographical, business, management and cultural experience. With the latest elections at ABB's Annual General Meeting 2024, the entire Board of Directors has been renewed within the past 10 years.

While the Board takes decisions as a whole, its three committees – the Finance, Audit and Compliance Committee, the Governance and Nomination Committee and the Compensation Committee – support it with high-level expertise and by ensuring an efficient mode of operation. Special attention is paid to sustainability aspects: oversight of ABB's Sustainability Agenda is the responsibility of the Governance and Nomination Committee; the Finance, Audit and Compliance Committee assists the Board in overseeing the integrity of the company's sustainability-related reporting; and the Compensation Committee ensures that ABB's executive compensation policies are appropriately aligned to its Sustainability Agenda. Ultimate responsibility for ABB's Sustainability Agenda, its sustainability targets and its annual Sustainability Statement lies with the entire Board of Directors.

MEMBERS OF THE BOARD (2024–2025 BOARD TERM)

	Board experience		Corporate officer experience		Other business experience								
Board member	**ABB Board tenure (years)**	**Other public board experience**	**CEO**	**CFO**	**Operations**	**Risk management**	**Sustainability[1]**	**Digital/ technology**	**Global experience**	**Country of origin/ nationality**	**Gender**	**Non-executive**	**Independent**
Peter Voser	10	●	●	●	●	●	●	●	●	CH	M	Yes	Yes
David Constable	10	●	●		●	●	●		●	CA, US	M	Yes	Yes
Frederico Curado	9	●	●		●	●	●	●	●	BR, PT	M	Yes	Yes
Lars Förberg	8	●	●			●	●		●	SE, CH	M	Yes	Yes
Johan Forssell	1	●	●		●	●	●	●	●	SE	M	Yes	Yes
Denise Johnson	2	●			●	●	●	●	●	US	F	Yes	Yes
Jennifer Xin-Zhe Li	7	●		●	●	●	●	●	●	CN, CA	F	Yes	Yes
Geraldine Matchett	7	●	●	●		●	●		●	CH, UK, FR	F	Yes	Yes
David Meline	9	●		●		●	●	●	●	US, CH	M	Yes	Yes
Mats Rahmström	1	●	●		●	●	●	●	●	SE	M	Yes	Yes

1. For detailed information about sustainability experience see Sustainability Statement 2024.

EXECUTIVE COMMITTEE

Each member of the Executive Committee is appointed by the Board of Directors. The Board has delegated the executive management of ABB to the CEO, who – together with the other members of the Executive Committee – is responsible for the company's operational business.

In line with the Board's leading example, ABB strives to have an equally diverse Executive Committee in all aspects, not only in business and management experience, but also when it comes to geographical and cultural backgrounds.

OUR EXECUTIVE COMMITTEE MEMBERS (AS OF DECEMBER 31, 2024)

Sami Atiya
- President of the Robotics & Discrete Automation business area since 2019 (Member of the Executive Committee since 2016)
- German citizen

Mathias Gaertner
- General Counsel and Secretary to the Board of Directors since 2024
- German citizen

Brandon Spencer
- President of the Motion business area since 2024
- US citizen

Carolina Granat
- Chief Human Resources Officer since 2021
- Swedish citizen

Morten Wierod
- Chief Executive Officer since 2024 (Member of the Executive Committee since 2019)
- Norwegian citizen

Timo Ihamuotila
- Chief Financial Officer since 2017
- Finnish citizen

Giampiero Frisio
- President of the Electrification business area since 2024
- Italian citizen

Karin Lepasoon
- Chief Communications and Sustainability Officer since 2022
- Swedish citizen

Peter Terwiesch
- President of the Process Automation business area since 2015
- German and Swiss citizen

05

PERFORMANCE-BASED COMPENSATION

EXTRACTS FROM COMPENSATION COMMITTEE CHAIR LETTER

Our focus at the Compensation Committee is to ensure that the compensation structure at ABB drives value creation for our shareholders, represents a motivating package for our executives, and ensures alignment with market best-practices and with our Sustainability Agenda.

SUMMARY OF PLANNED CHANGES IN POLICIES AND DISCLOSURES

→ For more information on ABB's 2024 sustainability achievements please refer to sections Outputs and Outcomes of this Report.

In the spirit of continuous improvement and considering stakeholder feedback, we plan to make a couple of enhancements to our Annual Incentive Plan (AIP), applicable from 2025.

Currently, the total weighting associated with Group and business area financial measures represents 80 percent of Executive Committee (EC) member's target AIP award, with the remaining 20 percent attributed to the individual measure, which contains a combination of sustainability, operational and strategic goals. From 2025, we will increase the weighting of the financial measures from 80 percent to 90 percent and replace the individual measure with two mandatory sustainability goals, with a combined weighting of 10 percent.

We believe the increased focus on the financial business measures will help reinforce our continued drive to achieve our ambitious financial targets.

Furthermore, we think that having two clearly measurable sustainability goals in the AIP will strengthen and support ABB's commitment to sustainability and complement the sustainability measure in our Long-Term Incentive Plan (LTIP), which has a material weighting of 20 percent of the target award. Details related to the sustainability target for the 2025 LTIP are disclosed in the Compensation Report 2024.

2024 RESULTS AND COMPENSATION POLICY OUTCOMES

2024 was a year of strong operational and financial performance. Overall, most key financial, sustainability and operational targets were met or exceeded. ABB (the company) delivered new highs for operational EBITA margin and revenues in 2024. The company also progressed on orders and continued to make significant progress in reducing its environmental footprint and contributing to a more sustainable environment.

Board of Directors (Board)
The total Board compensation for the 2024–2025 term (CHF 4.25 million) is within the maximum amount (CHF 4.4 million) approved at the Annual General Meeting (AGM) 2024. There has been no change to the individual Board member fees since 2015.

Executive Committee (EC)
No EC members in place at the time of ABB's annual salary review received a salary adjustment in March 2024. The average award for EC members under the AIP for 2024 in their year-end roles was 119 percent (out of a maximum of 150 percent), compared to 143.3 percent in 2023. The achievement level of the 2021 LTIP, which vested in 2024, was 200 percent (out of a maximum of 200 percent), driven by strong evolution of ABB's Earnings Per Share (EPS) during the period and ABB's vigorous relative Total Shareholder Return (TSR).

The total EC compensation was CHF 44.5 million in 2024, driven by the strong performance-related variable pay awards and the appointment

of new EC members during the 2024 financial year, including the provision of a replacement share grant for an external hire.

This amount was slightly higher than the CHF 43.9 million approved at the Annual General Meeting 2023 for the financial year 2024 due to the impact of the appointment of new members of the Executive Committee during 2024. To cover this additional compensation, the company used the supplementary amount provided for this purpose, in accordance with Art. 35 of the Articles of Incorporation (equivalent to 30 percent of the amount approved at the AGM 2023), whereby the compensation granted was significantly below the maximum amount of CHF 57.1 million.

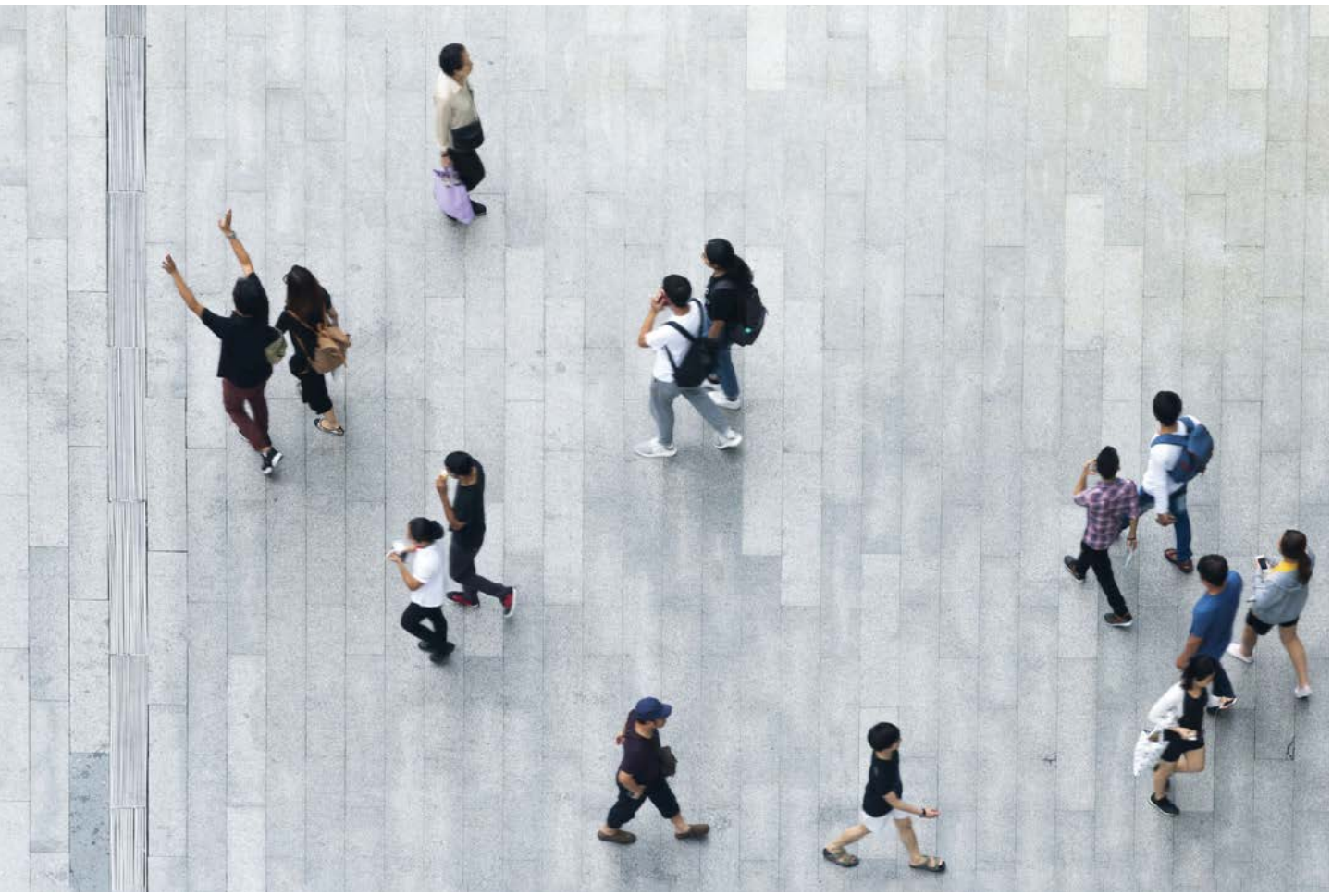
GOVERNANCE

At the AGM on March 27, 2025, shareholders will be asked to vote on the maximum aggregate compensation for the Board for its 2025–2026 term and on the maximum aggregate compensation for the EC in 2026. The former is again unchanged compared to the prior year, while the latter shows a decrease from the level requested for the prior year, primarily influenced by the change in composition of the EC.

ABB's Compensation Report 2024 will also be submitted for a non-binding, consultative vote by shareholders.

We have pursued an open and regular dialogue with our stakeholders, as we continue to improve our compensation system. On behalf of the Compensation Committee, I thank all shareholders for their continued trust in ABB and for their consistently supportive feedback.

Frederico Fleury Curado
Chairman of the Compensation Committee
Zurich, February 26, 2025



BOARD COMPENSATION

Compensation for the 2024–2025 term of office
The total Board compensation for the 2024–2025 term of office (CHF 4,250,000) was within the maximum amount (CHF 4,400,000) approved at the Annual General Meeting (AGM) 2024.

There has been no change to the individual Board fees since 2015.

In Exhibit 1 we set out the fees by member for the 2024–2025 Board term.

EXHIBIT 1

Board fees for the 2024–2025 term of office (in CHF) by member

Name	Board	Compensation Committee	Finance, Audit and Compliance Committee	Governance and Nomination Committee	Total Compensation
Peter Voser[1]	1,200,000	–	–	–	1,200,000
David Constable[2]	290,000	30,000	–	–	320,000
Frederico Curado[3]	290,000	60,000	–	–	350,000
Lars Förberg[2]	290,000	–	–	30,000	320,000
Johan Forssell[2]	290,000	–	–	30,000	320,000
Denise Johnson[2]	290,000	–	40,000	–	330,000
Jennifer Xin–Zhe Li[2]	290,000	30,000	–	30,000	350,000
Geraldine Matchett[2]	290,000	–	40,000	–	330,000
David Meline[3]	290,000	–	110,000	–	400,000
Mats Rahmström[2]	290,000	–	40,000	–	330,000
Total					**4,250,000**

1. Chairman of the Board, who does not receive any additional committee fee as Chairman of the Governance and Nomination Committee.
2. Member of a Committee.
3. Chairman of a Committee.

EXECUTIVE COMMITTEE COMPENSATION

Compensation structure during 2024
We summarize the elements of the EC members' compensation structure, including the purpose, the link to strategy and applicable performance indicators as shown in Exhibit 2.

EXHIBIT 2

EC compensation structure during 2024

	Fixed compensation – base salary and benefits	Variable compensation – short-term incentive (AIP)	Variable compensation – long-term incentive (LTIP)	Wealth at risk/ Share ownership
Purpose and link to strategy	Facilitates attraction and retention of talented EC members; base salary compensates for the role and relevant experience; benefits protect against risk	Rewards annual company, business area, functional and individual performance. Aligned with the Company's Annual Performance Plan	Rewards company performance over a three-year period and encourages creation of long-term, sustainable value for shareholders. Aligned with the Company's Long-Term Performance Plan	Aligns individual's personal wealth at risk directly to the ABB share price, and EC members' interests with those of shareholders to maintain focus on ABB's long-term success
Operation	Salary in cash, benefits in kind, and pension contributions	Annual awards, payable in cash after a one-year performance period; malus and clawback provisions in place	Annual grants in shares which may vest after three years, and are subject to performance conditions; malus and clawback provisions in place	Individuals are required to hold ABB shares
Opportunity level (as % of base salary)	Based on scope of responsibilities, personal experience, and skillset	Minimum 0% Target 100% Maximum 150%	**CEO** Minimum 0% Target 150% Maximum 300% **Other EC members**[1] Minimum 0% Target 150% Maximum 300%	**CEO** 500% of annual salary (net of taxes) **Other EC members** 400% of annual salary (net of taxes)
Performance indicators	Changes to base salary consider individual performance, future potential, broadening of responsibilities, and external benchmarking	**CEO and corporate officers** **80%** Group financial results **20%** Individual results **Business area Presidents** **20%** Group financial results **60%** Business area financial results **20%** Individual results	**All EC members** **50%** Average EPS **30%** Relative TSR **20%** Sustainability	Exposure to ABB share price

1. EC members with legacy employment contracts have a Target LTIP grant of 100 percent and Maximum LTIP opportunity of 200 percent. The higher LTIP opportunity for the newer EC members is largely offset by lower pension and other benefit costs.

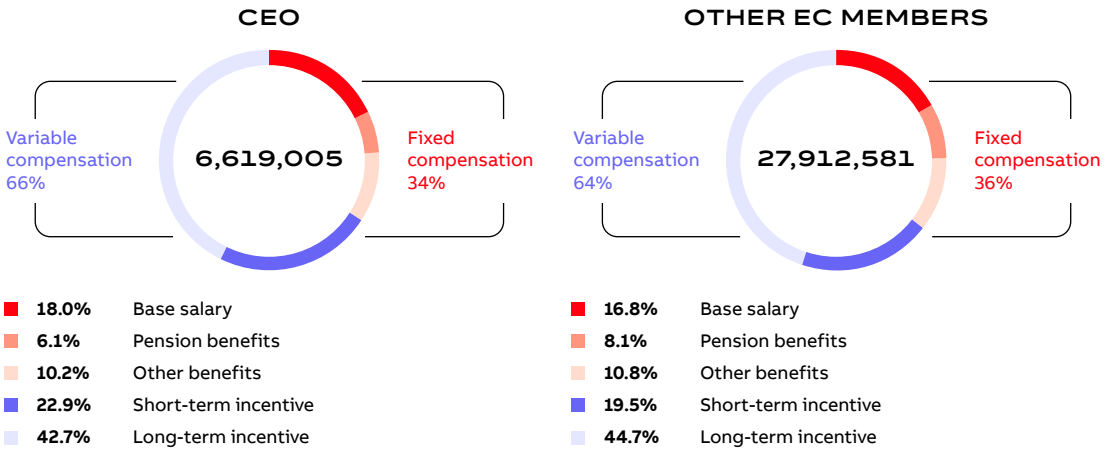
Total EC compensation for 2024
The total EC compensation was CHF 44.5 million in 2024, driven by the strong performance-related variable pay awards and the change in composition of the EC, including the provision of a replacement share grant for an external hire.

This amount was slightly higher than the CHF 43.9 million approved at the AGM 2023 for the financial year 2024, due to the impact of the appointment of new EC members during 2024. To cover this additional compensation, the company used the supplementary amount provided for this purpose, in accordance with Art. 35 of the Articles of Incorporation (30 percent of the amount approved at the AGM 2023), whereby the compensation granted was significantly below the maximum amount CHF 57.1 million.

The largest portion of the CEO's 2024 total compensation was delivered via performance driven variable compensation (66 percent), represented by short-term and long-term incentives. The compensation for Morten Wierod in his former role as business area president Electrification (until July 31, 2024) is included under the CEO compensation.

For the other EC members, on an aggregate level, variable compensation represented 64 percent of their 2024 compensation. Exhibit 3 shows the composition of the 2024 total compensation for the EC members at December 31, 2024, without the 2024 compensation for former EC members.

EXHIBIT 3
2024 total compensation mix (in CHF) for the CEO and other EC members on aggregate level[1]



1. Composed of 2024 base salary, 2024 AIP, 2024 LTIP grant, pension benefits, and other benefits. A replacement share grant for the General Counsel and Company Secretary is included in the category Long-term incentive. 2024 AIP represents accrued short-term incentive for the year 2024, which will be paid in 2025, after the publication of ABB's financial results. The sum of percentage figures may differ from 100 percent due to rounding to one decimal place.

Realized variable compensation in 2024
Realized variable compensation relates to the AIP award and the LTIP award at the end of their respective performance cycles, reflecting accrued AIP payment and LTIP vesting, based on achievement of the respective plan performance measures.

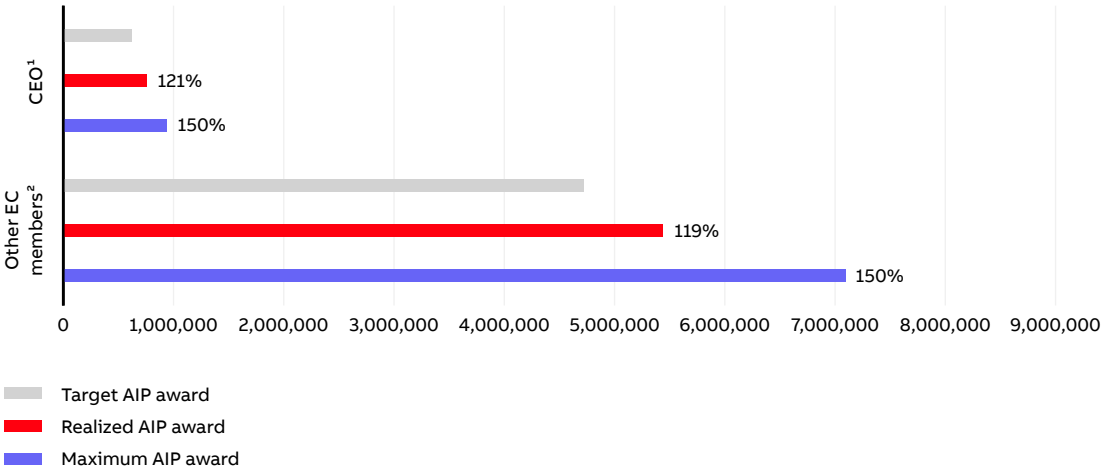
The outcome of the 2024 AIP (Exhibit 4) was above the target for EC members in their year-end roles (119 percent on average), and the LTIP that vested in 2024 (2021 LTIP) exceeded the target level, with a final vesting level of 200 percent of target (Exhibit 5).

EXHIBIT 4
2024 AIP outcome compared to target

→ Target AIP award corresponds to 100 percent of base salary.

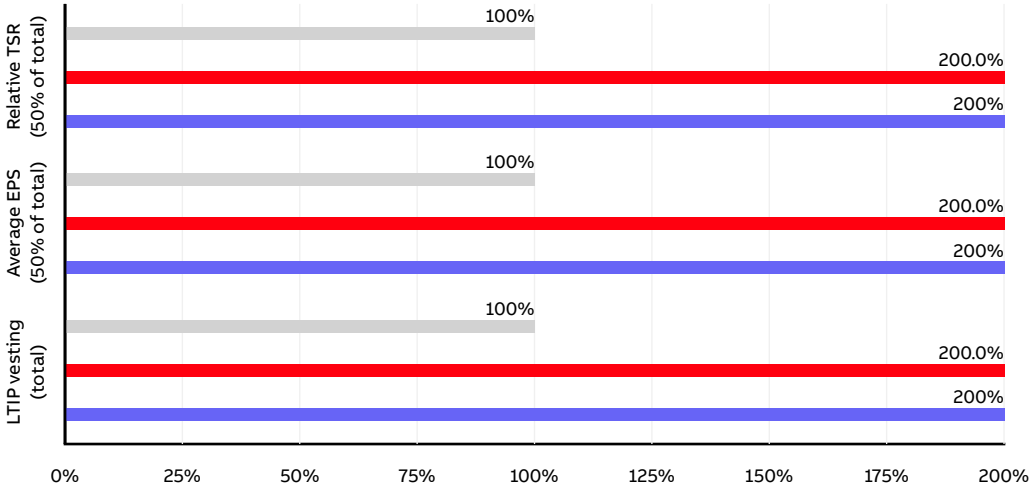
1. The AIP outcome for Morten Wierod relates solely to his role as CEO (from August 1, 2024).

2. On an aggregate level, while individual outcomes range from 57 to 135 percent.



Target AIP award
Realized AIP award
Maximum AIP award

EXHIBIT 5
2021 LTIP outcome compared to target



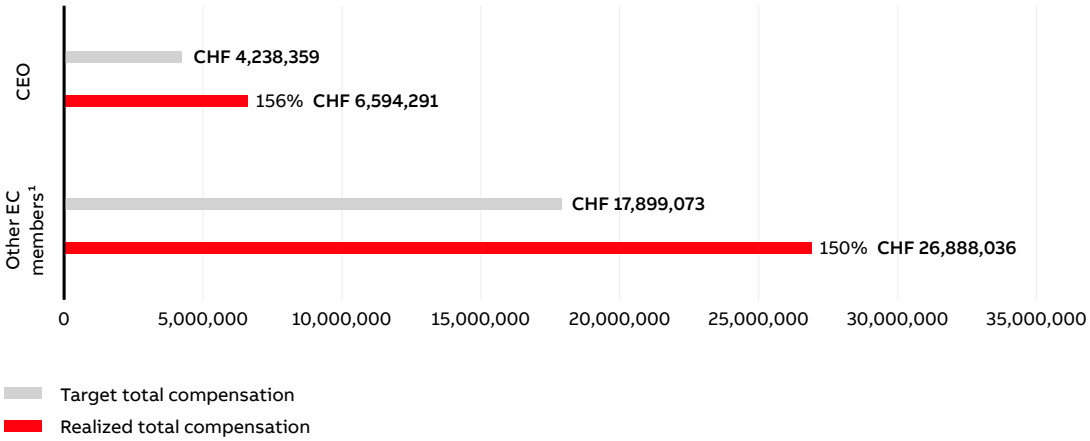
Target achievement level
Realized achievement level
Maximum achievement level

Realized total compensation in 2024
Considering the variable components stated above, the realized total compensation in 2024 was above the target for all EC members, driven by strong performance and the high level of achievement against the targets for the 2021 LTIP, which vested in 2024.

Further details related to the realized compensation of each EC member and each compensation component are specified in our Compensation Report 2024.

EXHIBIT 6
Realized total compensation in 2024 compared to target total compensation

1. On an aggregate level, while individual outcomes range from 109 to 163 percent.



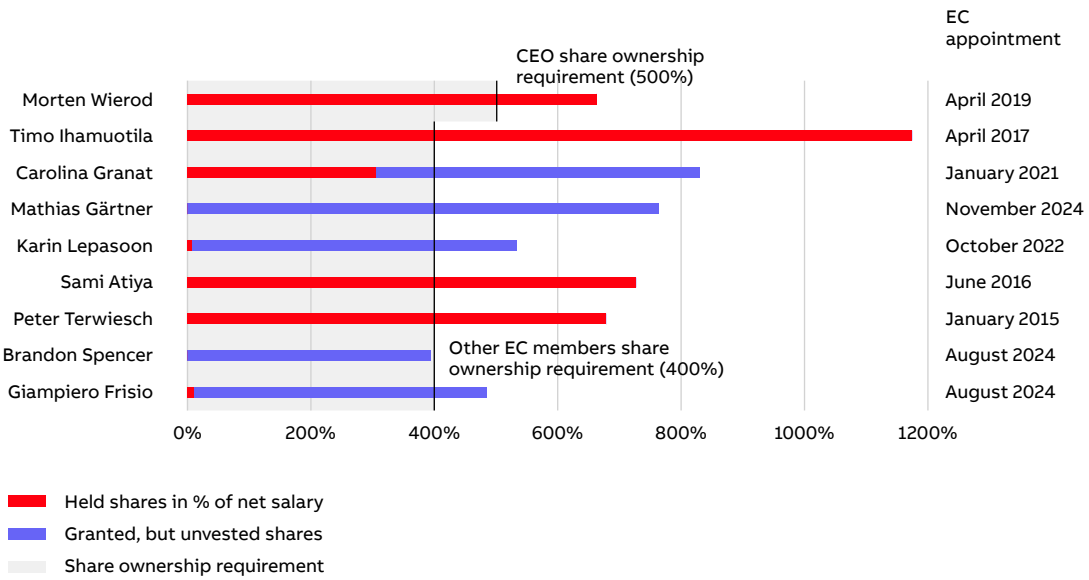
Share ownership of EC members
An alignment of our EC members' personal wealth at risk to the ABB share price and their interests with those of shareholders is important to us. Therefore, EC members may not sell their shares (except to meet tax and social security costs related to share vesting) until they achieve the required share ownership level.

Four out of nine EC members exceeded their share ownership requirements. The other five members have been appointed to the EC in the last three years.

When considering the number of granted, but unvested, ABB shares of EC members at December 31, 2024, it is expected that four recently appointed EC members who do not currently meet their share ownership requirement are projected to do so by 2027, after vesting of their respective LTIP share grants or replacement share grants.

EXHIBIT 7
EC shareholding compared to share ownership guideline[1]

1. Based on share price of CHF 37.81, the 2024 LTIP reference price, and shares held at December 31, 2024. Future allocation of granted, but unvested, shares is based on target achievement level and relevant plan specific settlement: default settlement of the final 2022 LTIP, 2023 LTIP and 2024 LTIP, and replacement share awards is 100 percent in shares. The value of shares is compared against the annual base salary net of taxes, at December 31, 2024.



SUSTAINABILITY-RELATED CONSIDERATIONS IN ABB'S COMPENSATION

There are a range of sustainability-related considerations which play an important role in our compensation philosophy, including the desire to foster a strong link between ABB's Sustainability Agenda and the variable compensation for the EC and other executives, as well as the general ambition to reinforce the Company's social contract with its employees.

Impact of sustainability performance on variable compensation
Given sustainability is an integral part of ABB's strategy and plans, we incorporate a strong, direct link between our Sustainability Agenda and executive incentives through our key variable compensation programs such as AIP and LTIP.

Regarding the AIP for 2024, all EC members had three sustainability goals (out of a maximum of three) in the individual component of their respective plans.

In 2024, all EC members had an environmental goal (scope 1 and 2 greenhouse gas (GHG) emissions). Most of the EC members had a social goal, which for the CEO and business area presidents was safety, and for most corporate officers was an increase in the proportion of women in senior management roles (female leaders), while the CFO had a governance goal related to internal controls.

In addition, all EC members had a governance goal designed to help deliver ABB's obligations under the Deferred Prosecution Agreement (DPA) in line with our commitments to the US Department of Justice.

From 2025, we will replace the individual measure under the AIP with two mandatory sustainability goals, with a combined weighting of 10 percent.

Regarding the LTIP granted to ABB's executives in 2024, including the EC, we continued to carry a company-wide sustainability performance measure in the LTIP with a weighting of 20 percent.

For the 2024 LTIP, our sustainability performance measure was the Company's scope 1 and 2 GHG emissions reduction at the end of the three-year performance period (2024–2026), compared to the 2019 baseline.

The sustainability measure applied to the 2025 LTIP is the same as that applied to the 2023 and 2024 LTIP, namely scope 1 and 2 GHG emissions reduction at the end of a three-year performance period. The 2025 LTIP targets will be based on scope 1 and 2 GHG emissions reduction over the three-year performance period from 2025–2027, compared to a baseline of the 2024 total scope 1 and 2 GHG emissions.

We will consider the appropriateness of the sustainability measure for future LTIPs, given the fact that, by the end of the 2025 LTIP cycle (i.e., end of 2027) ABB will have broadly achieved its scope 1 and 2 emissions reduction goals. This activity will be part an LTIP design review which the Compensation Committee will undertake during 2025 and will inform LTIP grants from 2026.

Details of the long-term GHG emissions reduction targets can be found in our Sustainability Statement 2024.

06

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES

→ For a full reconciliation of ABB's alternative performance measures, please refer to Supplemental Reconciliations and Definitions, in the ABB Q4 2024 Financial Information on https://global.abb/group/en/investors/quarterly-results

The following are definitions of key financial measures used to evaluate ABB's operating performance. These financial measures are referred to in this Integrated Report and are not defined under United States generally accepted accounting principles (US GAAP).

While ABB's management believes that the alternative performance measures herein are useful in evaluating ABB's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with US GAAP.

COMPARABLE GROWTH RATES

Growth rates for certain key figures may be presented and discussed on a "comparable" basis. The comparable growth rate measures growth on a constant currency basis. Since we are a global company, the comparability of our operating results reported in US dollars is affected by foreign currency exchange rate fluctuations. We calculate the impacts from foreign currency fluctuations by translating the current-year periods' reported key figures into US dollar amounts using the exchange rates in effect for the comparable periods in the previous year.

Comparable growth rates are also adjusted for changes in our business portfolio. Adjustments to our business portfolio occur due to acquisitions, divestments, or by exiting specific business activities or customer markets. The adjustment for portfolio changes is calculated as follows: where the results of any business acquired or divested have not been consolidated and reported for the entire duration of both the current and comparable periods, the reported key figures of such business are adjusted to exclude the relevant key figures of any corresponding quarters which are not comparable when computing the comparable growth rate. Certain portfolio changes which do not qualify as divestments under US GAAP have been treated in a similar manner to divestments. Changes in our portfolio where we have exited certain business activities or customer markets are adjusted as if the relevant business was divested in the period when the decision to cease business activities was taken. We do not adjust for portfolio changes where the relevant business has annualized revenues of less than $50 million.

OPERATIONAL EBITA MARGIN

Operational EBITA margin
Operational EBITA margin is operational EBITA as a percentage of operational revenues.

Operational EBITA
Operational earnings before interest, taxes and acquisition-related amortization (operational EBITA) represents income from operations excluding:

- acquisition-related amortization (as defined below),
- restructuring, related and implementation costs (as defined below),
- changes in the amount recorded for obligations related to divested businesses occurring after the divestment date (changes in obligations related to divested businesses),
- gains and losses from sale of businesses (including fair value adjustment on assets and liabilities held for sale, if any),
- acquisition- and divestment-related expenses and integration costs,
- certain other non-operational items, as well as
- foreign exchange/commodity timing differences in income from operations consisting of: (a) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (b) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (c) unrealized foreign exchange movements on receivables/ payables (and related assets/liabilities).

Certain other non-operational items generally includes: certain regulatory, compliance and legal costs, certain asset write downs/impairments and certain other fair value changes, as well as other items which are determined by management on a case-by-case basis.

Operational EBITA is our measure of segment profit but is also used by management to evaluate the profitability of the company as a whole.

Acquisition-related amortization
Amortization expense on intangibles arising upon acquisitions.

Restructuring, related and implementation costs consists of restructuring and other related expenses, as well as internal and external costs relating to the implementation of Group-wide restructuring programs.

Operational revenues
We present operational revenues solely for the purpose of allowing the computation of the operational EBITA margin. Operational revenues are total revenues adjusted for foreign exchange/commodity timing differences in total revenues of: (i) unrealized gains and losses on derivatives, (ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (iii) unrealized foreign exchange movements on receivables (and related assets). Operational revenues are not intended to be an alternative measure to total revenues, which represent our revenues measured in accordance with US GAAP.

NET WORKING CAPITAL AS A PERCENTAGE OF REVENUES

Net working capital as a percentage of revenues is calculated as net working capital divided by adjusted revenues for the trailing 12 months.

Net working capital is the sum of (i) receivables, net, (ii) contract assets, (iii) inventories, net, and (iv) prepaid expenses; less (v) accounts payable, trade, (vi) contract liabilities and (vii) other current liabilities (excluding primarily: (a) income taxes payable, (b) current derivative liabilities, (c) pension and other employee benefits, (d) payables under the share buyback program, (e) liabilities related to certain other restructuring-related activities; and including the amounts related to these accounts which have been presented as either assets or liabilities held for sale.

Adjusted revenues for the trailing 12 months includes total revenues recorded by ABB in the 12 months preceding the relevant balance sheet date adjusted to eliminate revenues of divested businesses and the estimated impact of annualizing revenues of certain acquisitions which were completed in the same trailing 12-month period.

FREE CASH FLOW CONVERSION TO NET INCOME

Free cash flow conversion to net income is calculated as free cash flow divided by adjusted net income attributable to ABB.

Adjusted net income attributable to ABB is calculated as net income attributable to ABB adjusted for: gains and losses arising on the sale of certain businesses and certain other significant items within net income which are also excluded / adjusted for when calculating operating cashflows.

Free cash flow is calculated as net cash provided by operating activities adjusted for: (i) purchases of property, plant and equipment and intangible assets, and (ii) proceeds from sales of property, plant and equipment.

RETURN ON CAPITAL EMPLOYED

Return on capital employed (ROCE) is calculated as operational EBITA after tax, divided by the average of the period's opening and closing capital employed, adjusted to reflect impacts from the timing of significant acquisitions/divestments occurring during the period.

Capital employed is calculated as the sum of adjusted total fixed assets and net working capital (as defined above).

Adjusted total fixed assets is the sum of (i) property, plant and equipment, net, (ii) goodwill, (iii) other intangible assets, net, (iv) investments in equity-accounted companies, and (v) operating lease right of-use assets, less (vi) deferred tax liabilities recognized in certain acquisitions.

Notional tax on operational EBITA is computed using an adjusted group effective tax rate multiplied by operational EBITA.

Adjusted Group effective tax rate is computed by dividing an adjusted income tax expense by an adjusted pretax income. Certain amounts recorded in income before taxes and the related income tax expense (primarily due to gains and losses from sale of businesses and in 2022, regulatory penalties in connection with the Kusile project) are removed from the reported amounts when computing these adjusted amounts. Certain other amounts recorded in income tax expense are also excluded from the computation to determine the adjusted Group effective tax rate.

NET DEBT

Net debt is defined as total debt less cash and marketable securities.

Total debt is the sum of short-term debt and current maturities of long-term debt, and long-term debt.

Cash and marketable securities is the sum of cash and equivalents, restricted cash (current and non-current) and marketable securities and short-term investments.

NET DEBT/EBITDA RATIO

Net debt/EBITDA ratio is defined as net debt (as defined above) divided by EBITDA.

EBITDA is defined as income from operations for the trailing 12 months preceding the balance sheet date before depreciation and amortization for the same trailing 12-month period.

NET FINANCE EXPENSES

Net finance expenses is calculated as interest and dividend income less interest and other finance expense.

BOOK-TO-BILL RATIO

Book-to-bill ratio is calculated as orders received divided by total revenues.

KEY TERMS

A

ABB Way
The ABB Way is the common operating model for our divisions, business areas and lean corporate center. It defines "how" we create value. It is built around our purpose and consists of four elements: business model, governance, people & culture and brand.

B

Business areas
ABB has a decentralized business model with 19 divisions grouped into four business areas: Electrification, Motion, Process Automation, and Robotics & Discrete Automation. They complement each other, cooperate and find synergies to create competitive advantages and best serve our customers.

C

Circular economy
In contrast to a linear "take-make-waste" model of production and consumption, the circular economy aims to keep resources in use by designing products for durability, reusability and recyclability. At ABB, circular economy approaches are at the center of the second pillar of our Sustainability Agenda, "preserving resources". By 2030, we aim to have at least 80 percent of ABB's products and solutions covered by our Circularity Approach and evaluated against a clear set of key performance indicators (KPIs), corresponding to each stage of the product lifecycle.

D

Divisions
Our 19 divisions represent the highest level of operating decisions within ABB with full ownership and accountability for their respective strategies, performance and resources, as they are closest to our markets and customers. They are grouped into four business areas.

E

'Engineered to Outrun'
In 2024, ABB launched its tagline 'Engineered to Outrun' under the new brand positioning "We help industries outrun – leaner and cleaner". It means keeping ABB's partners running at high performance while helping them run more productively, efficiently and sustainably so they can outperform. This supports ABB's purpose of enabling a more sustainable and resource-efficient future with its technology leadership in electrification and automation.

G

Greenhouse gas emissions
Greenhouse gas (GHG) emissions refer to all emissions that have a warming effect on the earth's surface by trapping heat in the atmosphere. The Greenhouse Gas Protocol, which sets global standards to measure and manage GHG emissions, covers seven GHGs: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), as well as gases used in industry, including hydrofluorocarbons (HFCs), per-fluorocarbons (PCFs), sulfur hexafluoride (SF_6). and nitrogen trifluoride (NF_3). CO_2, CH_4, and N_2O are released during the combustion of fossil fuels, such as coal, oil, or natural gas. At ABB, we use the metric ton of CO_2- equivalent (CO_2e) to calculate our GHG emissions and to measure progress toward our emissions reduction targets.

H

Headcount vs. FTE
Headcount and FTE (full-time equivalent) are both methods that are used to count members within an organization. The key difference is that headcount represents the total number of employees that are working at an organization at any given time, regardless of their work status being full-time or part-time. It is mainly used in social reporting. While FTE is a metric that is notably used in financial reporting to calculate the total number of full-time hours being collectively worked across an organization, this way making employed persons comparable although they may work a different number of hours per week. For example, if an organization considers 40 hours per week as full-time, a part-time worker employed for 20 hours a week, is counted as 0.5 FTE or as 1 headcount.

M

Materiality
Materiality refers to the process of determining material information with regard to sustainability to be managed and included in reporting. For the fiscal year 2024, ABB conducted a double materiality (impact materiality and financial materiality combined) assessment aligned with the ESRS requirements.

N

Net zero versus carbon neutral
"Net zero" means that any GHG released into the atmosphere is balanced by an equivalent amount being removed. "Carbon neutral" means that carbon emissions can be offset by a reduction in emissions or a removal of carbon from the atmosphere, for instance through carbon sinks, which absorb more carbon than they emit. At ABB, we have established net-zero targets. By 2050, ABB targets reducing absolute scope 1 and 2 emissions by 100 percent, and scope 3 emissions by 90 percent.

P

Purpose
ABB's purpose is to enable a more sustainable and resource-efficient future with our technology leadership in electrification and automation. This is why we are in business and is the guiding star for ABB's direction and strategy. Our purpose is based on five themes: creating success for all our stakeholders, addressing the world's energy challenges, transforming industries, embedding sustainability in everything we do, and leading with technology.

S

Science-based targets
Greenhouse gas reduction targets, set by companies, that are in line with what the latest climate science (as per SBTi) deems necessary to meet the goals of the Paris Agreement, which aims to limit "the increase in the average global temperature to well below 2°C above pre-industrial levels" and "pursue efforts to limit the temperature increase to 1.5°C."

Scope 1 GHG emissions
Direct emissions from company-owned and controlled resources, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles.

Scope 2 GHG emissions
Indirect emissions from the generation of purchased energy (electricity, steam, heat, cooling) from a utility provider.

Scope 3 GHG emissions
All other indirect emissions that are not included in scope 2, occurring in both the upstream and downstream value chain. According to the GHG Protocol, scope 3 emissions are separated into 15 categories, and include, for example, purchased goods and services, business travel and commuting, or use of sold products.

Sustainability
Sustainability or sustainable development can be defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland Report, 1987). Sustainability is commonly based on three dimensions: economic sustainability, environmental sustainability and social sustainability. At ABB, we strive to embed sustainability in everything we do. Sustainability is core to our company's purpose, strategic direction, operating model (the ABB Way), objectives, and is a key part of the value that we create for our stakeholders.

Sustainability Agenda
In 2020, ABB defined a clear approach to contribute to a more sustainable society. The three pillars of our Sustainability Agenda are "enabling a low-carbon society", "preserving resources" and "promoting social progress", sustained by the foundation of "embedding a culture of integrity and transparency along the extended value chain".

V

Value creation
The process that results in increases, decreases or transformations of inputs and related outputs and outcomes caused by our business activities in the-, medium- and long-term. We not only focus on maximizing shareholder value but work holistically to create financial and sustainability-linked value for all our stakeholders, for ABB, society and the environment. We are convinced that this is not only the right thing to do, but also in the interest of our long-term business success.

FINANCIAL CALENDAR 2025

March 27, 2025	Annual General Meeting
April 17, 2025	Q1 2025 results
July 17, 2025	Q2 2025 results
October 16, 2025	Q3 2025 results
January 29, 2026	Q4 and FY 2025 results

TAKE THE SURVEY

We at ABB will appreciate your feedback on the Integrated Report. This survey takes just two minutes to complete. By giving us your feedback, we can actively work to continuously improve our reporting.

Caution concerning forward-looking statements

The Integrated Report 2024 includes forward-looking statements and information that are based largely on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions as well as the economic conditions of the regions and the industries that are major markets for ABB. The words “believe,” “may,” “will,” “estimate,” “continue,” “target,” “anticipate,” “intend,” “expect,” “plan” and similar words and the express or implied discussion of strategy, plans or intentions are intended to identify forward-looking statements. These forward- looking statements are subject to risks, uncertainties and assumptions, including, among other things, the following: (i) business risks related to the global volatile economic environment; (ii) risks inherent in large, long term projects served by parts of our business; (iii) changes in interest rates and fluctuations in currency exchange rates; (iv) effects of competition and changes in economic and market conditions in the product markets and geographic areas in which we operate; (v) effects of, and changes in, laws, regulations, governmental policies, taxation, or accounting standards and practices and (vi) other factors described in in our public disclosures, including our quarterly financial information booklet and Annual Reporting Suite. Although we believe that the expectations reflected in any such forward-looking statements are based on reasonable assumptions, we can give no assurance that they will be achieved. We undertake no obligation to update publicly or revise any forward-looking statements because of new information, future events or otherwise. In light of these risks and uncertainties, the forward-looking information, events and circumstances might not occur. Our actual results and performance could differ substantially from those anticipated in our forward-looking statements.

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