

A contribution to social  
and environmental  
wellfare



# Sustainability in ABB

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**Is that the world we want?**





**Or that?**



Or better that?



# ABB – a customer friendly company

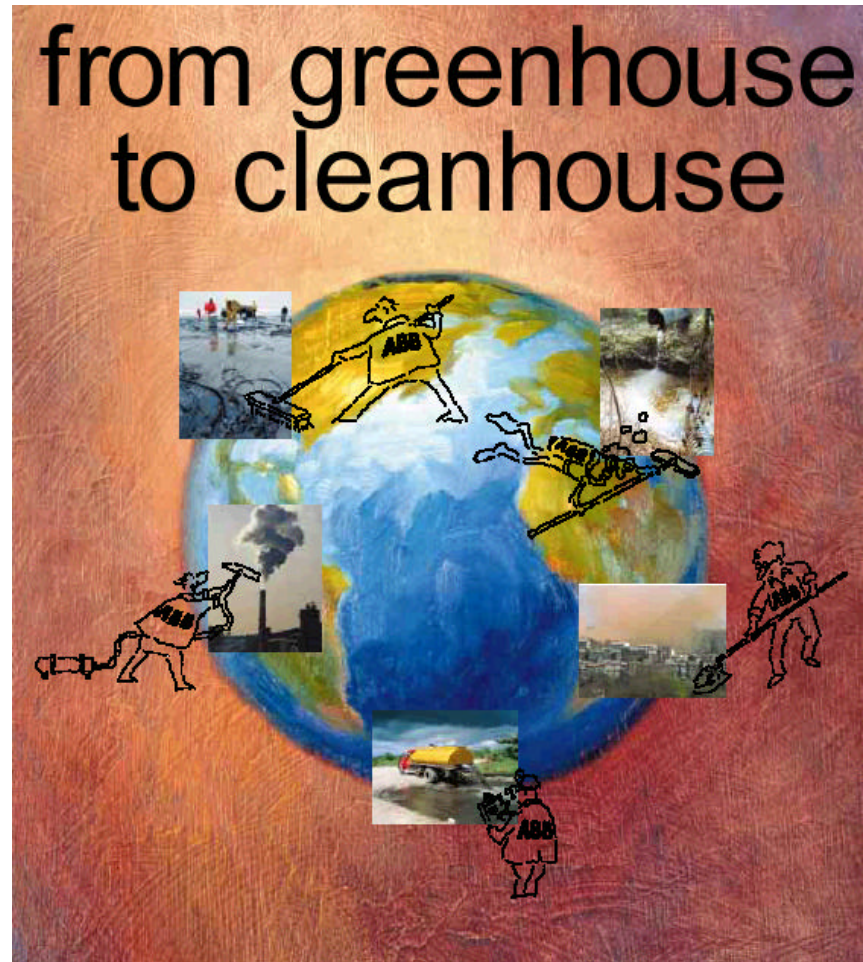


- Facilities, Systems, Products and Services for:
  - Utilities and Energy Technology Customers
  - Process- and Consumer-Goods-Industry
  - Infrastructure Industry
  - Oil & Gas Industry
- Automation Technology Products such as Robots, Integrated Computer Controlled Management Systems etc.
- Power Technology Products such as Transformers, Switchgears, Cables, Network Automation etc.
- Financial Services
- Renewable Energy Systems
- Distributed Power Generation Devices

The company has its headquarters in Switzerland and 160,000 people in more than 100 countries.



# ABB – an environmental friendly company



- Divesting traditional Power Generation
- Investing in Renewable Energy Systems like Wind, Solar and Fuel Cell Technology
- Investing in distributed power generation
- Development of products with minimum use of energy and maximum use of environmental friendly material
- ISO14001 for nearly all ABB sites worldwide
- Technology Transfer to developing and emerging countries



# ABB – the Renewable Energy Company



Establishment of **ABB New Ventures Ltd.** as legal entity with global responsibility for all new activities in this business.

Intention to become one of the world leading system integrators for renewable energy facilities

**Activities in** :US, Canada, Europe, India, China, Korea, Brazil, Columbia, Peru, Ecuador, South Africa

**Goal:** to get a business volume of more than **2000 MW** installed capacity in the next 5 years.

Research and development activities:

- **HydroWind** – Hydrogen with Windpower
- **WaterWind** – Desalination with Windpower
- **Solar** – New Solar Cell Development
- **Fuel Cells** – New technology for small and medium size fuel cells.



# ABB – sustainable management

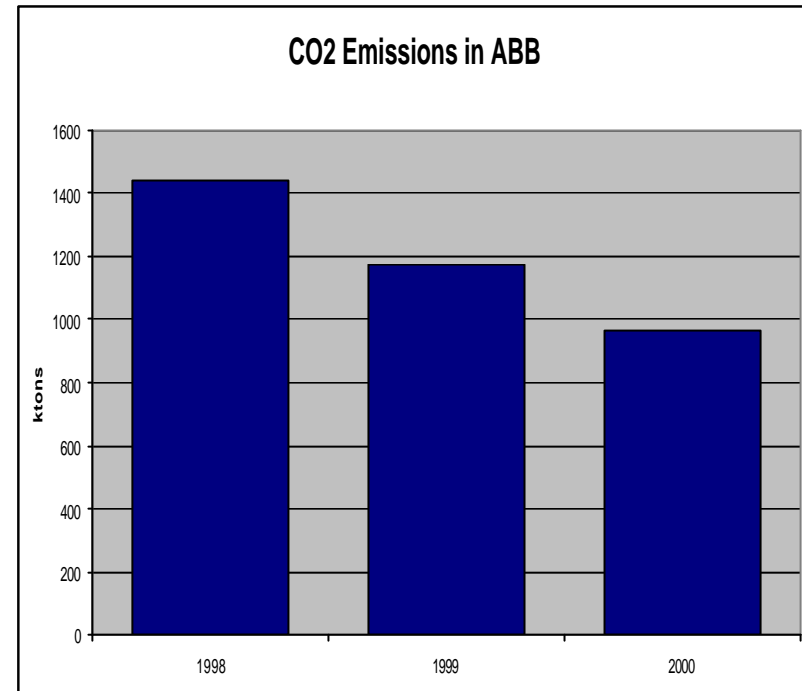
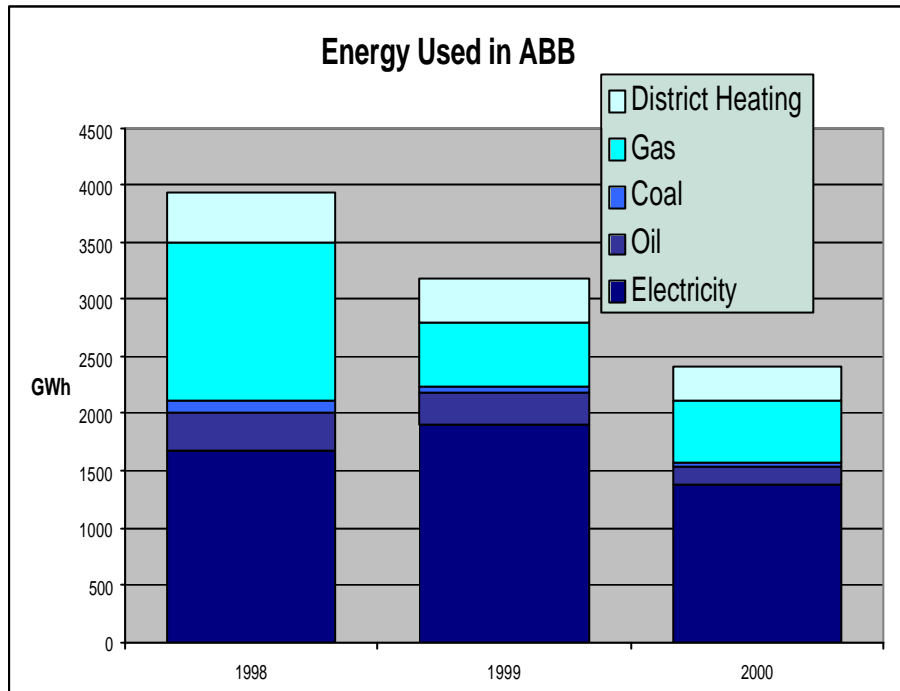


ABB fulfills its commitment to sustainable development by developing and supplying ecoefficient products and systems, sharing state-of-the-art technologies with emerging markets, contributing to common efforts and by continuously improving its own sustainability performance.

**“Sustainability is like  
quality.  
You just have to have it!”**  
CEO, ABB, Jörgen Centerman



# ABB – sustainable management facts

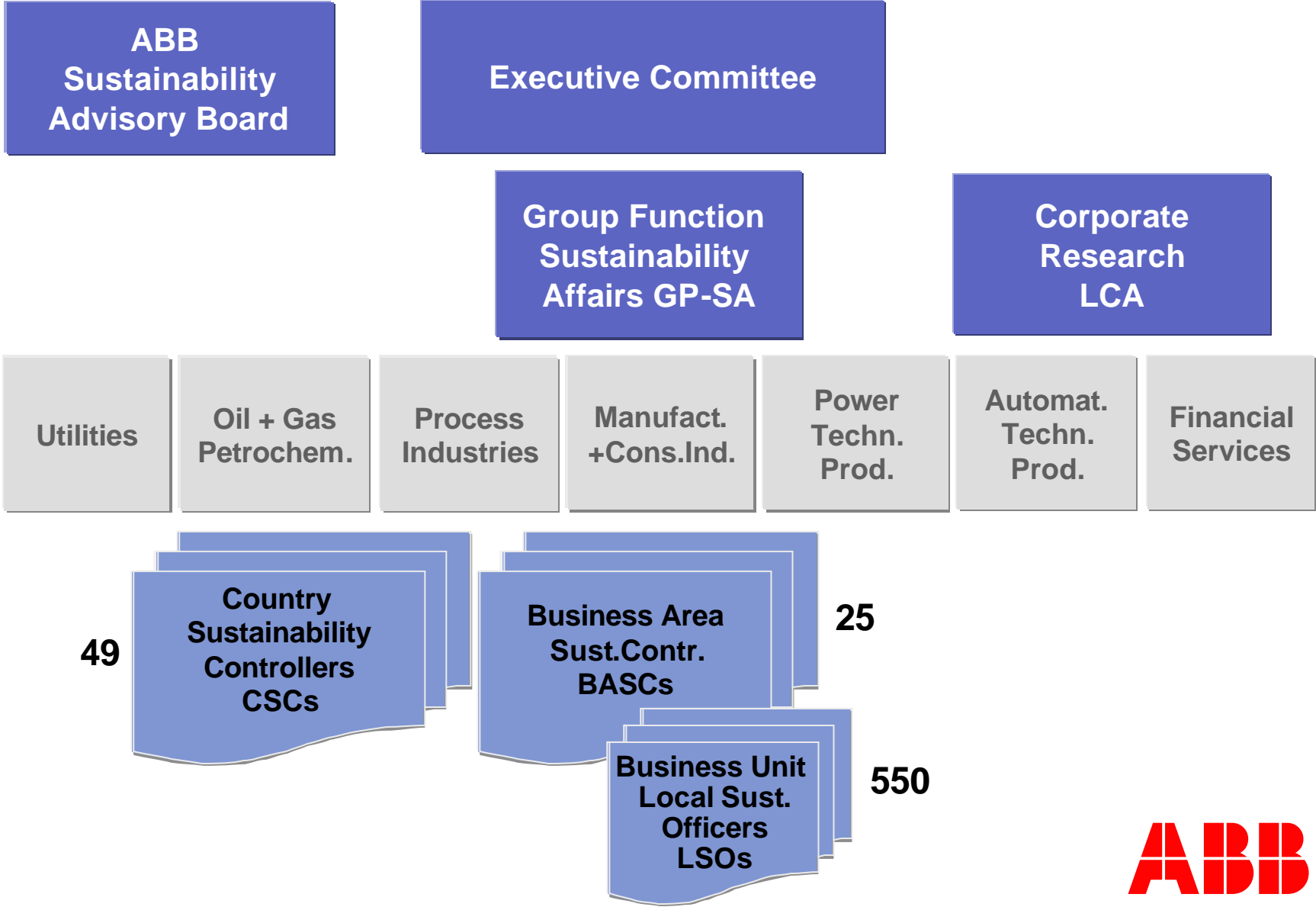


Since **1992** we are active in establishing sustainable management in ABB – with excellent success in reducing energy consumption and emissions. **97% of all our sites** are now certified to **ISO 14001** and we have taken now the **No. 1 spot** in the **Dow Jones Sustainable Group Index** in our industry group for the **third year** in succession.

ABB spends **53 Million US\$** per year for this management program.



# Our sustainable management organization



# Sustainability is creating value

- For our customers by making them more competitive
- For our employees by offering them opportunities to learn, grow and share in the value they create
- For our shareholders by seeking to meet or exceed their expectations for value creation
- For the communities and countries we operate by living our commitment to sustainable development

The image shows a screenshot of the ABB website. The main content area displays an 'Environmental Product Declaration' for a '30kW type 30C machine - 100-471 kW power range'. Below this, there is a section for the 'Latest Sustainability Report' with a small image of a blue industrial motor. The website interface includes a navigation menu with 'ABB' logo, 'Products & Services', 'Sustainability', 'News Center', 'Technology', 'Careers', and 'Events Exhibitions'. A sidebar on the left contains links for 'Sustainability Overview', 'Sustainability Report 2008', 'Sustainability Report 2009', 'Highlights in 2009', 'President's message', 'Social performance and core quality', 'Sustainability management program', 'Sustainability by our business', 'ABB's social policy', 'ABB's environmental policy', 'Sustainability', and 'Further reading'. At the bottom of the screenshot, a Venn diagram illustrates the three pillars of sustainability: 'Economic performance' (top circle), 'Environmental performance' (bottom-left circle), and 'Social performance' (bottom-right circle). The central intersection of all three circles is labeled 'Sustainability'.



# Sustainability – Example 1 - BRAZIL



## The “Children with a Future Full of Hope”- Project in Brazil

- The project supplements regular school classes of 96 children from the slum areas of Aliança and Canaã
- The project takes place on the ABB factory grounds in Osasco (São Paulo)
- 32 new six year old scholars every year are accepted and continue until the age of 14
- All children receive medical and dental check-ups, training in basic hygiene and are provided with healthy food
- A social worker visits the children’s families to teach about the dangers of drugs and alcohol and encourages the parents to support their children’s schooling and promote good hygiene



# Sustainability – Example 2 – SOUTH AFRICA



## The “Conquest for Life”-Project (since 1995)

- Located in Westbury (South Africa), a severely disadvantaged community notorious for gang activity and drugs with an unemployment rate 80%
- after-school activities
- Extra educational opportunities such as training in basic computer skills
- Established a program aimed at rehabilitating first-time offenders resolving their cases out of court and with the help of parents, teachers and the victims of crime, returning the young offenders to society

**Success rate more than 90%**



# Chances and Barriers for future growth



## Chances

- Continuous growing awareness of environmental issues
- Environmental protection key goal in more and more countries
- Kyoto Protocol finally ratified
- Increasing competitiveness of environmental products such as Windpower, solar energy

## Barriers

- High competition in core markets
- Low price still main driver for buying decision
- Reduced awareness and concentration in staff because of getting used to it too much and because of the higher complexity of work
- Shareholder value concentrating more on share price without or with less recognition of social and environmental responsibility of the company



# What should we do in the future?



- Customers should take environmental friendliness as a competitive advantage
- Government should give companies using/producing sustainable products, systems or services advantages in their taxation
- Pollution should be punished
- The media should publish list of top 100 environmental friendly companies or at least take the sustainable management commitment as plus in their ranking
- Sustainable management should be part of the ranking calculation for rating agencies
- External costs (for pollution) should be internalized

# How to sell it



- Sustainable management must become passion not only task
- Environmental protection is sexy
- Renewable Energies are sexy and give you a lot of value back
- Continuously reminding managers and staff about their responsibility for future generations
- Clear commitment by management and workers council/unions
- Clear commitment by politics
- Its fun to save the planet
- Have respect of the nature you are living in

Its not the question if we can afford the higher costs of renewable energies, it is the questions if we can afford to continue with today's pollution.



# The future



- Let's take action for protection of our environment
- Let's promote renewable energies in a business way by using pollution credit-trading
- Let's prefer companies with sustainable management systems in our purchasing decisions
- Let's provide education, infrastructure, energy and technology to emerging markets in order to allow them to avoid the mistakes we have made and are still making
- Let's increase the share of renewable energies to more than 10% worldwide



**The best way to predict the future is to create it!**



**Take from the earth only what the earth voluntarily gives you.**  
(Rule of the Indians)



**ABB**

**Brain Power.™**