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ANNUAL GENERAL MEETING OF ABB, MARCH 23, 2023

# PETER VOSER

## Chairman of the Board of Directors

Dear Shareholders,

After two years in a state of emergency during the pandemic, in 2022, we faced another year of tremendous uncertainty. It seems as if the world will not calm down. The developments of the past few days and weeks here in the financial center of Switzerland and in markets around the world have made this clear again.

Since February of last year, the Russian regime's invasion of Ukraine has turned the international order on its head and brought unspeakable suffering to the Ukrainian people. They are fighting for their families, their freedom and for peace. They are defending their country and the values that unite us. Their resistance deserves our appreciation, their courage our highest respect.

There is no excusing this criminal war of aggression. I have been deeply moved by the fate of our European neighbors. And I am not alone: many of our employees have gone to great lengths to help those who have been directly affected by the war. Their commitment makes me proud. Björn will go into more detail later about the initiatives that our people at ABB have set in motion. It goes without saying that, in light of the war and the associated international sanctions, ABB decided to exit the Russian market.

With the war came the energy crisis and food shortages. They hit the world's poorest countries particularly hard. The war has also resulted in rising inflation. Businesses and private households are facing dramatic increases in prices. In many places, economic growth is declining after a year in which strained supply chains had already brought production to a halt in virtually every industry. On the political front, the increasingly tense relationship between China and the USA has been yet another recent cause for concern.

In short: we are operating in a market environment that leaves no room for error and makes performance excellence a must. If you want to position your business in today's market, you must be focused, occupy growth segments and prove yourself as a technology leader. These global challenges demand a great deal from us all. That ABB in 2022 was able to build on its leading position in our industry and to defy the crisis is a tremendous success. So, just as we learned to live with the new reality of COVID-19, we will confront other challenges with determination and resolve – not only for the benefit of our customers, but also for all our other stakeholders – including you, our shareholders.

Take the energy crisis, for example: it shows that our energy system and supply chains need to be more sustainable and secure. With its leading electrification and automation technologies, ABB is ideally positioned to help customers improve their energy efficiency and enable the transition to a sustainable, resource-efficient future – in line with our company purpose. In the context of the global fight against

climate change, our products and solutions are more important than ever for customers and society overall. And that is why we are determined to contribute to the extensive infrastructure support programs that are driving new momentum towards a more sustainable society on both sides of the Atlantic.

As a matter of fact, ABB is ideally positioned to profit from the major societal issues of our time – particularly when it comes to rethinking the topic of sustainability. Our numbers underscore that we are on the right track with our focused positioning. In spite of the war and in spite or perhaps because of ongoing supply chain challenges, we achieved double-digit growth in orders and revenues on a comparable basis in 2022. Our operational EBITA margin increased to 15.3 percent, which means that we reached our long-term margin target of at least 15 percent one year earlier than expected. We are well on our way to meeting our long-term financial targets. And as ABB shareholders, you should also participate in these successful developments. So, in line with our policy of paying a rising, sustainable dividend over time, we would like to propose a dividend increase to 0.84 Swiss francs per share. Björn will present further details of our performance later.

Dear shareholders, this year for the first time, you can find all the most important information about our company in a fresh new format – our integrated annual report.

The report explains how the various parts of our global corporation fit together so that we not only steadily improve our financial results, but also create value for all our stakeholders and contribute to a more sustainable society. The report describes the environment in which we are operating and shows how we aim to achieve our goals in the short-, medium- and long-term. Naturally, the report also covers our performance over the past year and in doing so supports more transparency and underscores that, for us, financial success always goes hand-in-hand with sustainable, responsible business activities.

Back in 2020, ABB developed a clear strategy for promoting a more sustainable society. Our sustainability strategy 2030 focuses on four key objectives: enabling a low-carbon society, preserving resources, promoting social progress and creating a culture of integrity and transparency along the entire value chain. Our Code of Conduct for ethical and appropriate behavior is binding for all employees and is the foundation for all our projects and collaborations with business partners. We have ambitious goals. They include achieving carbon neutrality in our operations by 2030 and helping our customers and tier-1 suppliers reduce their greenhouse gas emissions. We also intend to reduce waste by applying our circularity approach to 80 percent of our products and solutions by 2030. This shows once again the absolutely pioneering role that ABB can and will play in the transformation of industries.

I think our employees have every reason to be proud of what we have accomplished. The progress has been remarkable: in 2022, we achieved another significant reduction in our greenhouse gas emissions. How did we do it? We sourced more power from renewable sources, improved energy efficiency at our sites and increased the proportion of electric vehicles in our fleet. On top of that, we are continuing to support our customers and suppliers to reduce their emissions.

It is clear that the most pressing challenge is and remains climate change. However, we are increasingly confronted with other ecological challenges, such as waste disposal and resource shortages. We can only overcome these challenges if we continue to develop the circular economy. But for that, we urgently need more technological advances and innovations.

It was with these challenges in mind that we developed our company purpose, our operating model, the “ABB Way”, and our strategy. And we’ve been clear about the direction in which we are going: We enable a more sustainable and resource-efficient future with our technology leadership in electrification and automation. This purpose is central to everything we do. To foster a culture of performance and strengthen our position in key markets and segments, operational decisions are taken in the divisions and close to our customers.

Over the past few years, you will no doubt have followed our internal reorganization and seen how it was also accompanied by a thorough review of our portfolio. In 2022, we acquired strong companies that will improve our technology and market leadership in charging systems for electric vehicles and low-voltage motors, and expand our presence in the rail segment. To further underpin our leadership position in

electric vehicle charging systems, our E-mobility division has raised over half a billion Swiss Francs in liquidity through a private placement. We intend to list part of this fast-growing business on the Swiss stock exchange when market conditions are more favorable.

In line with our portfolio management strategy of divesting businesses that no longer fit with our strategic focus, we spun off our successful Turbocharging division and in doing so established a new listed company called Accelleron. With the agreement to sell our Power Conversion division, all the divestments that we announced in late 2020 have now been signed. In other words, ABB has done its homework. Listing Accelleron on the Swiss stock exchange enabled our shareholders to realize the full value creation potential of that business. At the same time, ABB can now concentrate fully on its core business: electrification and automation. Accelleron, which is based in my birthplace of Baden, is a true gem of Swiss industry that will be able to play even better to its strengths as an independent company. I am sure that like me, as new shareholders of Accelleron, you will follow the positive developments of this Swiss industrial icon in the future. And finally, and earlier than expected, we sold to Hitachi ABB's remaining 19.9 percent stake in the Hitachi Energy joint venture which emerged from ABB's Power Grids business in 2020.

Our company's success has always relied on talented people and technological excellence. I am convinced that ABB will achieve its goals and continue to celebrate many successes to come with its agile, high-performing divisions, its clear focus on diversity and inclusion and its exceptionally dedicated teams.

ABB is a strong company with strong perspectives. That's not something to be taken for granted in today's market environment. On behalf of the Board of Directors, dear shareholders, I would like to thank you for your trust and also our CEO Björn Rosengren, the entire Executive Committee and all the employees who in spite of all the tremendous challenges have delivered another successful year. Thank you for this strong team performance.

Thank you.