

Embedding sustainability in our business

ABB took further steps to embed sustainability in our business processes and operations in 2010, and laid the groundwork for further integration in the coming years.

We continued to work on achieving the [sustainability targets](#) that we set for 2010/11, and undertook a major survey of internal and external stakeholders to better understand changing sustainability expectations and drivers, and ways in which we can further integrate other sustainability aspects into the business in future.

The [survey](#), which involved interviews and questions to more than 500 people, was designed not only to identify strengths and weaknesses, but also to understand how to position sustainability within the enterprise.

We reached one conclusion a long time ago. Companies that are serious about sustainability need to stop speaking of it as though it is separate from the business. A company's sustainable approach and performance has an impact on the bottom line. Failure to manage sustainability risks – and the failure to take advantage of sustainability opportunities – can adversely affect performance, results and reputation.

Ideally, business and sustainability become seamless and indistinguishable. We are not there yet in ABB, but are working hard to embed core sustainability issues – environmental, health and safety, security, social and human rights considerations – into key business processes.

What do we mean by integration into the business? Here are some examples from 2010.

- As part of our efforts to strengthen the performance of our supply chain, we developed a Supplier Sustainability Development Program in 2010, which aims to develop suppliers into strategic business partners who share our commitment to sustainability. The program is based on monitoring and auditing suppliers, along with training suppliers and ABB personnel, and is supported by a dedicated sustainability expert within the Supply Chain Management function along with a diverse, cross-functional reference team.

- Sustainability experts are now engaging at an even earlier stage with business colleagues in managing risk. For example, potential sustainability implications for projects that may be pursued are reviewed at quarterly meetings with two key divisions; the mergers and acquisitions team now holds regular consultations about potential target companies with the head of environmental affairs who – depending on the nature of the target – brings in colleagues with security, human rights and health and safety expertise to input into the process.
- Health and safety experts work actively with business units to integrate best practice into daily work and processes. For example, the “Energizing Safety” program was run in 2010 for the Substations business unit, and specific OHS instructions were implemented in the Transformers business unit. We also work with contractors in a number of countries, including India and South Africa, to raise awareness and performance.
- Environmental considerations take many forms: Energy efficiency has been built into our real estate management criteria; our own factories and processes are developing programs to ensure cuts in energy use in the most energy-intensive plants; and, with support from our experts, the Transformers business unit has established a Volatile Organic Compounds reduction program.
- Our security network is active around the world in assessing threats in high-risk countries and at project sites to enable our business to operate securely, or to suggest measures which need to be factored in by managers.

These are just a few examples of the way in which sustainability considerations are already woven into the fabric of ABB's business. There are many such examples but we are aware that much work remains to be done before sustainability considerations are an automatic reflex throughout the organization. That work is ongoing, and will be guided by the stakeholder inputs we received during 2010.