

Stakeholder relations

Listening and learning

(includes GRI indicator PR5, and GRI standard disclosures 2.10, 4.14–4.17)

Stakeholder engagement is essential to understanding trends and performance improvement. In 2010, we held our widest-ever sustainability stakeholder survey of internal and external perceptions of our sustainability performance, the changing expectations of the company, and potential improvements for ABB.

Data was collected via interviews and written questionnaires from about 400 employees, including 25 top executives and representatives from different businesses, functions and regions. In addition, questionnaires were sent to dozens of external stakeholders, including customers, suppliers, investors, governments, academics and students, and a number of specialists involved in key areas of ABB's sustainability focus – the environment, climate change, human rights, health and safety, and security.

A benchmarking survey of competitors was carried out from open sources to determine how we perform and are perceived. The results are being assessed and follow-up actions are being developed in 2011.

Overall, ABB seeks to engage with organizations or individuals who may be affected by our business operations, and whose actions may, in turn, affect ABB. In addition to our surveys, ABB engaged with a wide variety of stakeholders around the world in 2010. Some of the meetings were formal round-table discussions or many were face-to-face meetings with specialists.

The most frequent discussions reported in 2010 involved customers and suppliers, as well as ABB employees. There were also meetings with politicians, unions, NGOs, media representatives and academics at a community, national and corporate level.

Among the most common themes raised during the discussions were ways of raising social performance throughout the value chain, ongoing efforts to improve the company's health and safety record, ways of reducing environmental impact through energy-efficient products and systems, and other issues such as diversity and community engagement.

In Europe alone, stakeholder engagement took on many forms in 2010: In Germany, for example, a forum was held with business representatives, politicians and journalists on how innovation in power supply can help mitigate climate change; in the Finnish city of Vaasa, where ABB is a major employer, our management meets officials from the city and

surrounding municipalities every year to outline and discuss the company's performance and situation. In Hungary and the Czech Republic, ABB engages with customers and contractors on ways of improving health and safety performance. And in Sweden and Switzerland, there is strong interaction with universities on a range of issues – from research projects to teaching students about the corporate responsibility to respect human rights.

ABB also participates in and learns from involvement in a number of multi-stakeholder organizations. We are members of the World Business Council for Sustainable Development's electricity utilities working group, and participate in the energy and climate focus area. At the United Nations Global Compact, we are members of the human rights working group, as well as participating in initiatives in the local networks.

In recognition of our stakeholder and community engagement activities, ABB won 16 awards worldwide in 2010. They included awards for corporate social responsibility activities in China, health and safety performance in different countries, environmental protection and new initiatives in the United Arab Emirates, an HIV/AIDS education program in South Africa, and an honor for the best corporate working environment in Saudi Arabia.

Customer relations

Throughout 2010, we explored how to better measure and monitor customer satisfaction in a way that is also straightforward for the customer and easy for our managers to interpret, track and act upon. The outcome is a simple metric that has become one of the key performance indicators that we will monitor in 2011.

This new metric is part of ABB's overall commitment to building a culture of quality and continuous improvement that drives growth through customer loyalty.

Customer representatives systematically share the results of the surveys with their customers to create action plans to prioritize improvements or to leverage customer loyalty. Further investigation to examine the root cause of any customer dissatisfaction and the subsequent follow-up action are managed through local quality management systems.

ABB compiles, validates, tracks and analyzes all customer complaints in a single, global system that helps resolve problems quickly and efficiently. This system – the Customer Complaints Resolution Process (CCRP) – also provides valuable pointers for improvement.

Other GRI indicator

4.13 Memberships in associations

Listed below are some of the principal associations and initiatives with which ABB is involved in the area of sustainability:

- Chalmers University of Technology, CPM, Sweden
- CSR Europe, Belgium
- Global Business Initiative on Human Rights, U.K.
- Global Reporting Initiative, GRI, Netherlands
- Hunger Project, Switzerland
- Institute for Human Rights and Business, U.K.
- International Committee of the Red Cross, ICRC, Switzerland
- International Institute for Management Development, IMD, Switzerland
- Swedish Standards Institute
- oikos International, Switzerland
- Pew Center on Global Climate Change, U.S.
- Transparency International, TI, Germany
- United Nations Global Compact, U.S.
- World Business Council for Sustainable Development, WBCSD, Switzerland
- World Childhood Foundation, Sweden
- World Economic Forum, Switzerland
- WWF, Switzerland