

Stakeholder relations

Listening and learning

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

Stakeholder engagement on sustainability-related issues is becoming increasingly important to ABB from a strategic and business perspective.

One of the work streams stemming from Sustainability Strategy 2015+ foresees the introduction of an improved stakeholder engagement process throughout the Group by the end of 2013. Work is already under way to standardize how dialogues on sustainability issues are held and how stakeholders' views are captured, evaluated – and acted on – at a national and Group level.

Our new strategy was based on the widest-ever sustainability stakeholder survey with nearly 600 individuals inside and outside the company providing their views in 2010 and 2011 on ABB's sustainability performance and potential improvements.

The survey included top ABB executives and business representatives from all regions, as well as customers, suppliers, investors, governments, academics and students and specialists involved in our key focus areas – the environment, climate change, human rights, health and safety, and security.

One of the main suggestions we received: ABB should take a higher profile on sustainability issues, based on the progress and improvements made internally over the past few years and given the positive contribution made by many of our products and systems over their life cycle. Stakeholders felt ABB's sustainability profile had been too modest.

The strategy and the issue of ABB's profile were assessed at the main Group-level stakeholder session in Zurich, Switzerland in 2011, which brought together experts on the business impact on the climate and environment, and labor and human rights.

Key issues raised at the meeting included the need for ABB to communicate more about the business opportunities for sustainability, and ensure this message is understood within the company. Some initial ideas, presented by ABB, were criticized for not being sufficiently appealing to an external audience.

ABB engaged with a wide variety of stakeholders around the world in 2011, seeking contact with organizations and individuals who may be affected by our business operations, and whose actions may, in turn, affect the company. Some of the meetings were formal roundtable discussions but many were face-to-face meetings with specialists.

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

Among the most common themes raised during the discussions: ways of improving customers' energy efficiency, and strengthening suppliers' understanding of our environmental, labor and health and safety requirements.

In the United States, for example, discussions with customers focused mainly on energy efficiency and climate issues, particularly concerns about greenhouse gas emissions. In the Finnish city of Vaasa, where ABB is a major employer, our management met officials from the city and surrounding municipalities – which is an annual event – to discuss use of land, infrastructure issues and the employment situation, as well as the company's performance.

In many countries ABB focused on working with suppliers to improve their performance. This can take the form of supplier audits, as in China, India and Mexico in 2011 or discussions with suppliers about health and safety requirements, as happened in Colombia.

Ideas arising from these sessions led to changes within the company, several of them focused on improved communications and processes.

- In Germany, for example, a survey of employee satisfaction led to guided dialogues on ways of improving leadership
- A formal roundtable meeting in South Africa with a range of stakeholders resulted in ABB carrying out an advertising and communications campaign to promote energy efficiency and water technology capabilities
- In Peru, a meeting with a union, centering on employee rights and benefits, led to improvements in the existing agreement strengthening – among other things – education benefits for employees' children
- Communications efforts were stepped up in Qatar to create better understanding of ABB's business and health and safety goals, following discussions with customers and suppliers
- In Italy, a network of corporate volunteers is being created to strengthen the company's social activities around the country, and a team was established to provide more opportunities for disabled employees

Among other stakeholders, there is also strong interaction with universities and academic institutions on issues ranging from collaborative research projects to teaching students in Sweden and Switzerland about the corporate responsibility to respect human rights. In Peru, five meetings were held with the main universities focusing on energy efficiency and ways of mitigating climate change. Students were encouraged to join a competition on how to lower carbon emissions using ABB products and solutions.

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, as well as the Access to Energy initiative in the run-up to the Rio+20 summit in 2012.

At the United Nations Global Compact, we are also taking part in an energy initiative and events linked to the UN's year of access to sustainable energy for all in 2012.

In recognition of our social and community engagement activities, ABB won 19 awards worldwide in 2011. One came from a customer: ABB was one of two suppliers to win Bombardier Transportation's first Sustainable Suppliers Award.

The list included an award in Sweden for human rights performance, recognition of good health and safety practices in Brazil, Singapore and the United States, a best working environment accolade in Saudi Arabia, an overall corporate social responsibility award in the United Arab Emirates, and recognition for strong environmental performance in China.

ABB in Germany won a business magazine award for its "Generation program" which seeks to ensure that young and older employees work together well, that knowledge transfer is organized, and that employees of all ages benefit from job opportunities and better working conditions. In several countries, including Sweden and Switzerland, ABB was designated an employer of choice in 2011.

Customer relations

ABB introduced a metric called the "net promoter score" program in 2011 as part of our efforts to better measure and monitor customer satisfaction, perceptions and expectations. The metric is straightforward for the customer and easy for our managers to interpret, track and act upon.

The net promoter scorecard is part of ABB's overall commitment to building a culture of quality and continuous improvement that drives growth through customer loyalty.

ABB also 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 – 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, Sweden
- Global Business Initiative on Human Rights
- Global Reporting Initiative
- Hunger Project, Switzerland
- Institute for Human Rights and Business
- International Committee of the Red Cross
- International Institute for Management Development, IMD
- Swedish Standards Institute
- oikos International, Switzerland
- Pew Center on Global Climate Change, US
- Transparency International
- United Nations Global Compact
- World Business Council for Sustainable Development
- World Childhood Foundation, Sweden
- World Economic Forum
- WWF