

# Stakeholder engagement

## Learning through collaboration

ABB has been making greater efforts in recent years to engage formally with different stakeholders on sustainability issues. It is a recognition that our business success is closely tied to such exchanges, and the potential benefits of acting on the feedback we receive.

Apart from exchanges as part of daily business, we have been formally surveying stakeholders since 2011 to better understand which issues they consider to be material to our business and where we can improve performance. Overall, we see stakeholder engagement as an important enabler to achieve our [sustainability objectives and targets](#). We set up an external [stakeholder panel](#) in 2015 to analyze the objectives and targets, and to review the strengths and weaknesses of our reporting. We also revamped our sustainability website to improve access to performance information.

Here we look at some of the main areas of engagement with key stakeholders:

### Customers

In recent years, customers have sought increasing assurance from ABB that what they buy from us has been ethically produced, and will deliver the business benefits of greater resource efficiency and lower energy use. We continue to meet customers and receive regular requests for information from them about the different sustainability aspects of our offerings and how we are managing different types of risk.

The most frequent inquiries are about the energy efficiency of our products, systems and solutions, how we manage social and environmental risks in our supply chain, and how we implement our policies on the environment, health and safety and human rights. Our ability to provide detailed information on most issues underscores our reputation as a leading-edge and trusted supplier with robust risk management policies and processes in place.


### Suppliers

As a company with a global supply chain, we are naturally in contact with suppliers on a daily basis on business-related issues. Our business aims are clear: We seek high quality, low cost and on-time delivery of products. We work hard to ensure that our suppliers meet not only our business needs, but also our sustainability requirements and standards.

ABB has stepped up oversight of sustainability issues in the supply chain in recent years. These efforts are run through our [Supplier Sustainability Development Program](#), which fo-

cuses on assessing conditions at suppliers, working with them to improve their performance, and training - both our suppliers and in-house auditor teams in different countries. In 2015, we engaged most with suppliers in Brazil, China, India, Mexico and south-east Asia.

### Investors

ABB held sustainability roadshows in London, Paris and Stockholm during 2015, as well as engaging in one-on-one sessions with fund managers and analysts. An increasing number of mainstream, as well as socially responsible, analysts and funds are showing greater interest in our environmental, social and governance (ESG) performance and its impact on our business. 

They focus on how ABB intends to increase our revenues from energy-efficient products and systems, market development for renewable sources of energy, and how ABB manages integrity issues, particularly in high-risk countries.

We also work with export credit agencies and ratings agencies who factor a company's ability to manage potential social and environmental risks into their decision-making models. In 2015, ABB decided not to respond to the Dow Jones Sustainability Index, after ranking as a global sustainability leader for 14 of the past 15 years. We opted to spend more time on direct engagement with stakeholders, including investors.

### Civil society

We engage on an ongoing basis with representatives of civil society, unions and the media as part of our business activities. A company is a core component of society, and our activities are closely monitored to see whether we abide by laws, stakeholder expectations and the high standards we set ourselves. Our approach is to engage in meaningful dialogue and collaboration, to explain ABB's positions and policies and, at times, different viewpoints.

One of our major areas of engagement is with our employees. As a company going through a period of transformation as part of our Next Level strategy, it has been important to inform as many employees as possible about changes within the company over the coming years, and their roles in moving ABB forward. Town hall meetings were held globally in 2015 and online information was published, as part of the company's communication with employees.

ABB also engages with a number of [non-governmental organizations](#) in several countries on individual issues or in partnerships such as humanitarian aid and rural electrification projects.

The academic world is another important partner for ABB. The company has dozens of research and development partnerships around the world, sponsors educational programs for engineering students, and seeks to be an employer of choice among graduates. There is a strong interaction with universities and academic institutions on issues ranging from collaborative research projects to running corporate responsibility courses for students in Sweden and Switzerland.

Involvement in a number of multi-stakeholder organizations in 2015 also provides additional benefit. Taking part in initiatives on ways of strengthening sustainable energy supply and use, run by the World Business Council for Sustainable Development and the United Nations, were valuable platforms for further insights and learning from peer companies and institutions, and also provided opportunities for ABB to showcase our practical research and solutions.


### Tracking progress

As far as the company's sustainability objectives are concerned, we can track progress internally and outside the company. Our many different external stakeholders provide us with formal and informal commentary on where we should be placing greater emphasis or where they might expect greater levels of clarity and ambition. Within the company, the [Sustainability Board](#), made up of the Group Executive Committee, again provided guidance in 2015 on areas where we should be moving forward.

As far as customers are concerned, ABB employed a customer satisfaction survey called the 'net promoter score' program for the sixth consecutive year in 2015. It measures customer feedback to help us improve our business performance. The 2015 result showed customer satisfaction is growing steadily with 48 percent saying they would recommend ABB to a colleague – a four percent increase over 2014.

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

### Public policy

ABB strengthened our public affairs capability in 2015 and continued to be active in discussions related to energy and industrial policy in different parts of the world. The main focus in Brussels, for example, has been on European Union energy policy. 

### Community

ABB contributed to 700 community projects and charities worldwide in 2015. A total of 48 countries out of the 66 reporting on their social activities in this report supported community projects and reported them in the Group community engagement tool. About two-thirds of the projects were in North America. Globally, our employees and companies donated approximately \$9.5 million and provided 4,800 person-days in volunteering time.

We focus on supporting education and healthcare. The educational schemes and institutions we support serve to improve learning opportunities, raise ABB's profile and help us to recruit qualified engineers and other staff. Strengthening healthcare can have positive social and economic impacts among key company stakeholders, including our employees, suppliers and customers, as well as the communities around our facilities.

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Major programs, such as corporate-level agreements with the International Committee of the Red Cross, are decided and run at Group headquarters. Local initiatives are decided at a country level and usually focus on communities where we have operations.

Our contributions can make a difference to people's lives, how welcome we are in the communities where our business operates, and our corporate reputation. We introduced an internal tool in 2014 to measure project impacts; it gives us both an overview of the projects supported and results, and also serves to question whether there is sufficient return on investment for particular projects.

## Education

ABB works with students, schools and colleges in a variety of ways. In the United States, for example, ABB provides both funding and equipment for colleges and universities in areas where we have operations to support those institutions and attract successful graduates. In China, ABB sponsors engineering students through a variety of schemes, as well as providing laboratory equipment for university research. And in countries like Saudi Arabia and South Africa, ABB holds vocational summer schools for budding engineers.

Such support takes many other forms: The refurbishment of school classrooms in Egypt, India and Thailand; participation in a scheme in Sweden to raise young people's technical interest and skills; and extra-curricular schooling at ABB factories in Brazil for children from impoverished neighborhoods to help them prepare for a working life.

ABB also has a focus on helping disadvantaged students. Our [Group-level foundation](#) to support talented but disadvantaged engineering students now has partner universities in 12 countries, having added Egypt in 2015. Several of the student scholars now work at ABB.

## Health

ABB is involved in a range of projects related to health. For example, ABB volunteers in Germany, Italy and the United Kingdom support people with mental disabilities taking part in summer and winter Olympics. Cancer research initiatives receive long-term support from ABB in several countries, including Canada, Mexico, the United States and United Kingdom, with employees giving in different ways – from donations to sponsored golf tournaments.

## Humanitarian assistance

ABB has both a strategic and on-the-ground approach to humanitarian crises. We have a decade-long partnership with the International Committee of the Red Cross (ICRC), and our annual contribution is currently used to support clean water access in areas of humanitarian need in Iraq and the Democratic Republic of Congo. Among other areas of cooperation, ABB engineers lead training sessions for ICRC engineers on technology such as pumps and motors that the ICRC uses in the field.

ABB also provides support in the event of humanitarian and natural disasters. In 2015, ABB in India provided aid after the devastating earthquake in Nepal, while financial support for flood victims was provided in Argentina, Myanmar and Malaysia.

## Access to Electricity

ABB works on a number of rural electrification projects to ensure power reaches off-grid communities. One of the longest-running projects, providing distributed solar power to desert hamlets in the Indian state of Rajasthan, was expanded in 2015, and we also started backing a new project in Myanmar.



## Awards

ABB received a range of awards in 2015 in recognition of our social, environmental and community engagement activities. In one country, Sweden, our performance was recognized by two awards: The country's leading journal for sustainability reporting Miljörapporten named ABB as the winner of the best sustainability report for 2014. In a separate recognition, our country Managing Director won a prestigious award for his sustainability leadership.

These were among 19 awards worldwide in 2015. Several of the awards were won for health and safety, and environmental performance. Such awards are not only valuable recognition of how we are making a difference, but also serve to build employee commitment both to the causes that ABB supports and to the company as a whole.

