

STAKEHOLDER ENGAGEMENT

Engaging and collaborating with stakeholders at all stages

We continuously seek to meet the expectations of our stakeholders via multiple channels and processes

We work to engage in meaningful dialogue and close cooperation with our stakeholders, with the object of delineating ABB's positions and policies, as well as of comprehending other perspectives.

As announced in the 2018 report, in 2019 we initiated a comprehensive stakeholder engagement process, involving external stakeholders of all categories. The process is being conducted via one-on-one interviews. All stakeholders are associated with one of ABB's businesses. Each business identified its key stakeholders in several categories, including customers, civil society, government representatives, analysts, suppliers, local communities and others. The goal of this exercise is to review stakeholder expectations and develop a qualitative basis for each business' materiality matrix. This process will conclude in the first half of 2020 and contribute to the definition of our future priorities and ambitions. The results are also being used to shape our activities in 2020. The engagement process additionally considers internal stakeholders. Our day-to-day activities also enable stakeholder interaction. Key areas of engagement with our stakeholders in 2019 included the following:

Customers

We meet regularly with customers to discuss the sustainability of ABB's offerings and how they can be used to meet specific sustainability requirements. We seek to make detailed information available on these issues and others and to maintain our standing as a trusted supplier.

Investors

In 2019, ABB engaged in one-on-one meetings with managers and analysts focused on sustainable investing. The ranks of socially responsible investors with an interest in our ESG performance continued to grow. Topics of interest included growth prospects for our eco-efficiency portfolio.

Suppliers

ABB maintains frequent contacts with our suppliers, taking precautions to ensure they measure up to our standards for sustainability. These efforts are managed through our Supplier Sustainability Development Program (SSDP). The program assesses conditions at our suppliers' sites and enables us to work with them to improve their performance.

Employees

In 2019 we held our first Global Employee Engagement Survey in 10 years, involving more than 95,000 ABB employees and resulting in an engagement score of 71. Their input is being used to help develop a groupwide culture of collaboration and dialogue. In our current transformation, we are working to ensure that our people understand our strategy and their roles. In our ongoing communications program, we held town hall meetings at various sites and published regular updates on internal news portals.

Public policy

In 2019, ABB participated in the UN Climate Change Conference (COP25) in Madrid, continuing our yearly engagement with the conference since COP21 in Paris. In other areas, we expanded our global activities in government relations in 2019, working with policymakers on issues including climate change, energy efficiency, industrial policy, digitalization, artificial intelligence and e-mobility.

Community

In 2019, ABB contributed to more than 580 charitable institutions and community projects around the globe. Education, diversity and healthcare were among key areas of focus. Our employees and businesses donated an estimated \$12.1 million and volunteered roughly 4,300 person-days of time to charitable causes. More information is available in the Community Engagement chapter.

External partnerships

ABB worked with a range of external partners on solutions to major global challenges. These included the World Economic Forum, the ABB FIA Formula E Championship, the World Business Council for Sustainable Development's Low Carbon Technology Partnerships initiative, the International Committee of the Red Cross' Corporate Support Group, United for Efficiency and several of Sustainable Energy for All's accelerator programs, among others.