

# ABB community engagement strategy

## 1.1. Goal

ABB seeks to contribute to development and progress in areas where we work. We want to be welcome in the communities where we operate. Responsible corporate behavior is good both for the community and our business, and is part of earning a social license to operate.

## 1.2. Focus

We focus on education and health programs, as well as environmental projects. We believe these are fundamental aspects of a thriving society, and strong pillars on which to build for the future.

## 1.3. Scope

ABB participates in more than 300 projects worldwide. Our contributions may be financial, volunteering efforts or in-kind contributions. We are partners in a wide variety of community engagement projects at local, national and international levels. They include sponsorships of institutions and organizations, short- and long-term support for social projects where ABB has facilities and projects, individual and country-based volunteering initiatives, and local commitments related to agreements with international organizations. Volunteering in ABB is organized on a country basis and the amount of company time allocated to employee volunteering work is left to the discretion of respective country management teams.

## 1.4. Organization

Our activities are based on guidelines and processes defined by internal Group Directives and Instructions. The choice of which projects to support is usually the decision of country management teams. They select and support community projects which they believe will be worthwhile for a particular sector of society and which match company values. While most projects are organized in-country, there are a few sponsorships and development programs which are selected and managed at a Group level.

## 1.5. Business case

Being a 'good neighbor' and associated community engagement are material to ABB's business success. In education, for example, we support a wide range of schemes and institutions to improve learning opportunities, raise ABB's profile and attract talent. In many cases, we hire talented school-leavers, interns and graduates from such institutions to work as engineers and in different functions. We save time and resources in being able to hire high-quality recruits who already know the company.

We also believe there is a strong social and business case for helping to strengthen health care in the areas where we have facilities and projects. Such projects can have a variety of positive social and

economic impacts on the community; additionally, local people benefiting from health care programs are more likely to be inclined and able to work for ABB in secondary jobs and as suppliers, as well as becoming employees.

ABB also sees the business value in raising brand recognition in the community. A community's awareness of and confidence in a brand is vital to effective business planning and operations, particularly in sensitive areas.

The value of community work among prospective employees and staff members carries a business value. Our employees want to work for a company that is a force for good in the community, and their personal involvement in such projects strengthens their relationship with the company. The attraction and retention of employees is a business issue; excessive staff turnover and consequential replacement and re-training is costly.

## **1.6. Measurement of impact**

ABB recognizes the need to measure the results of engagement projects in order to understand the overall 'return on investment.' With certain initiatives and projects, measurable results are available – such as the number of people hired from the educational institutions we support, or the number of people helped through a health project – In other cases, results may be less tangible. ABB is introducing a tool in 2013 to help measure the outcomes of its community projects.

For more information please contact:

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