

Our people

A key to business success

(includes GRI indicator LA11)

In 2011, ABB adopted an ambitious Group strategy for 2015 which foresees major business growth and expansion. Ensuring we can attract, develop and retain employees in increasing numbers is a key factor in ensuring business success and strategic goals.

A number of programs are under way to ensure we have high-caliber people at all levels of the Group and processes to support our goals.

Several new tools and processes were introduced in 2011. They are designed to strengthen global mobility, and to improve both the quality and value of the annual appraisal and development system, and the approach to internal and external talent management. This has been done, for example, through the introduction of a global competence framework and a new organizational structure for recruitment.

ABB continued to move forward on the issue of diversity, following the adoption of a Group-wide diversity and inclusion statement in 2010, which reaffirmed our commitment to develop and retain people from all walks of life in a global company. We recognize that a diverse and talented workforce, recruited globally, provides the quality and skills that create competitive advantage. Such diversity promotes both innovation and business success if allowed to flourish in an atmosphere of inclusiveness.

Our diversity agenda is currently focused mainly on gender. For the first time, a woman was elected to the Board of Directors in 2011, and several other women – including the new heads of Corporate Strategy and Investor Relations – were among those appointed to high-ranking business and functional positions within the company.

Efforts to promote diversity are also under way on a regional level. The newly created diversity council in the North America region has established a strategy with milestones to attract, develop, retain and leverage diverse talent; and in the Mediterranean area, a diversity working group has set a strategy and is addressing areas such as recruitment, talent management, communication, flexibility and key performance indicators.

In some areas the evidence of a diverse workforce is palpable – there are, for example, people from 50 countries among the 600-strong workforce at the company's headquarters in Zurich. This is a sign of improvement; work in other areas continues.

We continued to invest during 2011 in our ability to attract and develop the best people. There has, for example, been a major investment in talent processes – such as our global recruitment policy, our global web-based recruitment tool for both internal and external talent, and our talent identification process – to better support the company's business requirements and provide the best career development opportunities for existing employees.

The Talent Management process has been embedded in all regions and around 90,000 personal performance and development assessments were conducted in 77 countries through the new tools. The process focuses on identifying those people with potential, building on their strengths, and supporting development activities so they have greater opportunities to advance within the company.

To support employees in their chosen careers there is also a series of Human Resources-led competence assessments and functional development programs in place. Assessment centers have been introduced for those wishing to become first line managers and a global competence framework was introduced in 2011. The Talent Development Assessment helps employees identified as having strong potential to move into first line manager positions and takes them through a series of exercises to identify their current strengths and development areas.

A program of functional competence management has also continued to assess and develop skills in areas such as finance, project management, information systems and sales.

Programs are complemented by initiatives such as Global Mentoring – launched in 2008 – which is based on a “leaders developing future leaders” model. About 130 mentors and 180 mentees have attended the program so far; in 2011, 76 mentoring pairs attended six introductory workshops worldwide. Feedback confirms that mentoring supports the learning of both mentors and mentees.

Surveys underline the impact of the mentoring program. They indicate 50 percent of mentees took on new roles either during or after the mentoring program. More than 90 percent of those employees said mentoring had helped them significantly during their period of transition.

ABB is regarded as an employer of choice among engineering students in a number of countries, including Switzerland and Sweden, and this is reflected in the continued popularity of ABB's two-year global trainee scheme which involves three or four six-month assignments in a wide range of countries and across multiple disciplines.

The number of global trainees increased to 35 in 2011 compared to 26 the year before. The trainees, who come from 19 countries, were selected for a range of programs, including finance, human resources, sustainable energy futures, sustainability, marketing and sales.

Our Group recruitment policy focuses on ensuring that employees can move more freely within ABB and pursue vacant positions. All positions, except for a small number in senior management where the talent pool is well documented, are now posted in a global online recruitment tool which supports greater transparency and encourages equal opportunity. The online recruitment tool also allows employees to track opportunities against their personal profile and to post their Curriculum Vitae so it is available to the recruitment teams in every country. Managers are required to encourage the development of their teams and are not allowed to block an employee's opportunity to advance.

The number of international assignments has been increasing steadily as part of measures to increase global mobility. More than 800 people were on international assignments in 2011 – a 15 percent increase on 2010. These assignments are both personal development opportunities and help to meet business needs within growing markets.

Despite the changing economic climate, ABB has continued to invest in leadership development programs. In the fifth year of running the Senior Leadership Development Program, two courses were held in the Swiss city of Lausanne in partnership with the internationally renowned IMD business school. A total of 95 senior managers attended during 2011. Both the Middle Manager and First Line Manager programs are now running all around the world and covered a further 300 middle managers and 900 first line managers in 2011.

ABB seeks to strengthen leadership at every level, and all employees are offered the opportunity to attend the three-day Leadership Challenge program, which is delivered in 14 languages and which focuses on taking personal leadership, irrespective of the position or role in the company. About 47,800 employees have completed the course since it started in 2004. ABB Life is a program to develop and prepare talented young people for future leadership roles. A total of 440 young employees went through the program in 2011.

As part of efforts to promote development, work started in 2011 on creating a new learning center – a building complex close to ABB Group headquarters in Zurich, Switzerland – which will host conferences, training and development sessions and provide opportunities to meet stakeholders. The center is due to be opened in 2012.

In a further area of employee development, ABB introduced a scheme in 2011 which allows all employees and their family members with an internet connection to access a high-quality online Standard English training course free of charge anywhere in the world. Participants have the opportunity to take part in a free Business English skills test and certificates of achievements are issued to signify their progress from one level of English skills to the next. The scheme already has users in 97 countries and more than 22,000 people have activated a license.

Training is ongoing throughout the Group. From a sustainability perspective, a wide range of training sessions were held in 2011 at a global, regional or country level on issues such as health and safety, security, crisis management, and human rights.

One of the key focus areas for 2011 was occupational health and safety leadership. A program was launched to involve country managers and local business unit and division managers to highlight safety leadership as a management priority. As part of the program, the ABB Chief Executive launched a global communications campaign to highlight personal leadership and responsibility.

Social Performance: Other GRI indicators

Employment

LA1 Full-time workforce by region

2.8 Scale of the reporting organization

Full-time employees by region	2011	2010	2009
Europe	60,300	58,800	60,600
The Americas	25,900	17,700	17,100
Asia	37,400	30,900	29,900
Middle East and Africa	10,000	9,100	8,500
Total	133,600	116,500	116,100

The significant increase in 2011 was partly due to the acquisition of Baldor Electric Company in the United States.

LA1 Part-time workforce by region

The following numbers of part-time employees are included in the total figures LA1.

For 2011, these figures are also shown as percentages of the total workforce in the countries covered by our social reporting system (89 percent of employees).

Part-time employees by region	2011	2010	2009
Europe	2,924 5%	3,133	2,984
The Americas	108 1%	143	92
Asia	106 <1%	183	268
Middle East and Africa	1 <1%	4	112
Total	3,139 3%	3,463	3,456

LA2 Rate of employee turnover by region

Rate of turnover of all employees, including part-time:

For 2011, the figures show the turnover number, as well as the percentage of the total workforce in the countries covered by our social reporting system (89 percent of employees).

Turnover by region (all employees)	2011	2010	2009
Europe	5,712 10%	11%	10%
The Americas	2,823 15%	16%	23%
Asia	4,615 13%	14%	11%
Middle East and Africa	854 14%	8%	5%
Total turnover for whole Group	14,004 12%	12%	12%

Turnover of all female employees, including part-time:

For 2011, these figures are also shown as a percentage of the total workforce in the countries covered by our social reporting system (89 percent of employees).

Turnover by region (female employees)	2011	2010	2009
Europe	1,364 2%	1,407	1,439
The Americas	531 3%	631	635
Asia	1,086 3%	1,060	520
Middle East and Africa	184 3%	51	19
Total turnover for whole Group	3,165 3%	3,149	2,613

LA3 Benefits provided to employees

As a multinational organization with operations in around 100 countries, ABB has difficulty in providing meaningful information for this indicator. ABB provides competitive salaries and benefits to employees, taking legal requirements into account and benchmarking against other companies. In view of the different legal requirements from country to country and the adverse cost-benefit ratio in producing this information, ABB has decided not to report against this GRI indicator.

Labor/management relations

LA4 Employees covered by collective bargaining agreements

Approximately 61 percent of the company's employees (excluding Baldor) are subject to collective bargaining agreements in various countries. Collective bargaining agreements are subject to various regulatory requirements and are renegotiated on a regular basis in the normal course of business.

LA5 Minimum notice periods regarding significant operational changes

ABB is not in a position to provide Group-wide aggregated information, as the figures vary from country to country depending on local regulations. For the 27 countries of the European Union, ABB is represented on the EU's European Works Council where such matters are discussed.

LA10 Training/LA13 Women in management positions

ABB has decided to report on the top 10 countries by employee numbers in this section, representing about 60 percent of Group employees. All countries reported figures for 2011 and the full list appears on the ABB website.

We define women in top management positions as women in Hay Grades 1–10, whereas prior to 2010 top management was defined as country management plus the two levels below them. We can now compare figures from country to country on the same basis.

Women were appointed to a number of senior management positions in different parts of the world in 2011. ABB shareholders elected Ying Yeh to the Board of Directors in 2011 to replace an outgoing Board member. She is the first woman to join the Board. Other senior appointments included the heads of Investor Relations, Corporate Strategy, and the Group's solar initiative. Women were appointed to management positions in several businesses, including Power Products High Voltage business units in Sweden and the United States, and as the head of Supply Chain Excellence.

LA13 Other indicators of diversity

As at December 31, 2011, ABB's Board of Directors had eight members – seven men and one woman – of seven nationalities, whereas the Group Executive Committee had 11 members, including one woman, of eight nationalities. In addition, people from 50 countries were among the 600-strong workforce at the company's headquarters in Zurich.

Diversity and equal opportunity

LA14 Ratio of basic salary of men to women

In ABB, salaries are decided according to the nature of duties performed.

LA15 Return to work and retention rates after parental leave

The number of people who took parental leave in 2011 was just over 3,000. This figure was evenly divided between men and women, and varied according to culture and region. ABB is consolidating figures on the retention rates of people who took parental leave, and we expect to be able to publish this data in the 2012 report.

	Training hours per employee			Percentage of women in management		
	2011	2010	2009	2011	2010	2009
Brazil	25	26	28	7%	7%	–
China	34	40	24	25%	25%	–
Czech Republic	11	10	13	18%	19%	–
Finland	13	13	24	15%	17%	–
Germany	16	16	15	7%	4%	–
India	5	4	3	2%	2%	–
Italy	17	17	10	7%	7%	–
Sweden	12	10	10	22%	22%	–
Switzerland	17	20	20	7%	7%	–
US	25	25	25	16%	15%	–

LA12 Employees receiving performance reviews

ABB has a Group-wide policy to review at least annually the performance of every employee, providing opportunities to discuss work achievements, set future objectives and provide feedback and coaching.

ABB completed the roll-out in 2011 of a new online tool, covering 90,000 employees in 77 countries. The new system is part of Human Resources Group Tools that run on a common SAP platform and provide a new way of identifying talent within the organization, as well as managing performance and development. Many other employees complete paper-based appraisals.

Other performance indicators

Economic Performance Indicators

EC3 Benefit plan obligations

EC4 Government financial assistance

EC5 Wage level ratios

EC7 Local hiring procedures

As a multinational organization with operations at approximately 360 sites and offices in more than 100 countries, ABB has difficulty in selecting appropriate countries and providing meaningful information for these indicators. In view of the adverse cost-benefit ratio in producing this information, ABB has decided not to report against these GRI economic performance indicators for the time being.

Human rights

Recognizing risks and building capacity

(includes GRI indicator HR2,3)

ABB continued to strengthen its human rights performance in 2011, amid growing international pressure on all companies to uphold their responsibility to respect human rights.

Several new standards were introduced, including the United Nations-approved Guiding Principles for Business and Human Rights, which have focused attention on the corporate responsibility to respect human rights. The Organization for Economic Cooperation and Development and the International Finance Corporation also strengthened their human rights recommendations for business during the course of the year.

The Guiding Principles and other standards emphasize the need for companies to perform due diligence on human rights impacts and risks – a process ABB has been pursuing for several years and which we are continuing to develop.

ABB adopted a human rights policy in 2007, and has since concentrated on training employees and embedding human rights in key business decision-making processes – most notably, the divisional risk review process which all major tenders have to go through, supply chain procedures and – significant for a company that has been expanding – the mergers and acquisitions process.

Experts within the company carry out due diligence in different ways. For example, regular meetings are held with managers of the two systems divisions to identify projects at an early stage of pursuit to determine if there might be human rights, social, environmental or security risks or impacts. The aim is to carry out due diligence on potential risks at a very early stage – well before a project pursuit becomes a formal tender subject to risk review procedures.

Depending on the nature of potential impacts, the projects are selected for in-depth due diligence – either in the form of desktop research or through visits to sites and stakeholder engagement. In two recent cases, an ABB human rights specialist examined two projects in Brazil and China, drawing on external support for the work.

ABB has been strengthening its supply chain procedures in recent years, recognizing the potential risks, as well as benefits, of having tens of thousands of first-tier suppliers around the world. Labor and human rights considerations are built into several supply chain procedures, including the supplier code of conduct, supplier qualification requirements and checklists for site auditors.

Supply chain specialists found a total of 11 cases of child labor at two suppliers in 2011. Immediate corrective measures were introduced to safeguard the rights of the children.

Due diligence is also performed as part of the company's mergers and acquisitions (M&A) process. A sustainability work stream has been built into the M&A workflow and potential risks at companies that have been targeted for acquisition are examined in detail. In 2011, human rights due diligence was carried out on several potential target companies – and in one case that included an external review of not just the target company but also its main customers' human rights performance.

ABB has long understood the materiality of human rights, knowing the potential financial, legal and reputational downside to the business if abuses occur, and the benefits of being a force for good. The company has taken considerable steps forward in recent years but recognizes this is work in progress and challenges remain to ensure that human rights risks are fully understood and the right measures are taken.

A global human rights training program, designed to raise awareness of the risks and opportunities in the company's operations, is under way to support these efforts. The latest ABB Group sustainability objectives set a target of training senior managers in ABB's top 12 manufacturing and exporting countries by the end of 2012.

After starting the training in Europe and the Middle East in late 2010, several further training sessions were held in China, Finland, Malaysia and Sweden in 2011. More training sessions are planned – particularly in Asia, the Americas and Europe – in 2012.

Those attending the sessions include business and country management representatives, and members of functions such as Supply Chain Management, Legal and Integrity, Communications and Sustainability. The course, designed and delivered by internal experts, looks at stakeholders' human rights expectations, ABB's journey on human rights so far, the company's main risk areas, ABB case studies, supply chain issues and community engagement programs.

As part of capacity building efforts in 2012, training is being extended within the company to set up a network of human rights specialists in different parts of the world who can advise managers at a local level. Job descriptions are being amended to reflect the expected levels of competence and development.

While we are relatively modest about speaking of our progress, our experts have been involved in international efforts to promote the corporate responsibility to protect human rights. In 2011, our external activities included speaking at a number of international meetings, taking part in podium discussions, and working with university students in Switzerland and Sweden.

ABB works with and supports a number of organizations, including the UN Global Compact and some of its local networks, the Institute for Human Rights and Business, and the Global Business Initiative on Human Rights (GBI). At one GBI-organized event, held in Kuala Lumpur in 2011, ABB's human rights specialists addressed two sessions for Malaysian and South-East Asian businesses. ABB expects to continue such engagement in 2012.

Human rights performance: Other GRI indicators

HR1 Significant investment agreements that include human rights

ABB maintains and regularly reviews a list of sensitive countries where it has, or considers engaging in, business operations. Human rights, as well as legal, financial and security criteria, are included in risk assessments, and are among the factors in deciding whether ABB does business in a particular country.

Based partly or wholly on human rights considerations, ABB has not taken any business with Myanmar or North Korea for several years. ABB completed its withdrawal from Sudan in June 2009.

HR4 Non-discrimination violations

All countries in ABB's sustainability management program are asked to report any incidents of discrimination. Five substantiated cases of discrimination and 32 of harassment were reported in 2011, resulting in six terminations, three resignations and a range of other measures, including warnings, counseling and further training.

HR5, HR6, HR7 Operations at risk

Freedom of association and collective bargaining, child labor, forced or compulsory labor

There were no ABB operations identified during 2011 to be at significant risk concerning employee rights to freedom of association and collective bargaining, incidents of child labor, or incidents of forced or compulsory labor. In ABB's supply chain, 11 cases of underage labor were found at two suppliers in 2011. Immediate corrective measures were introduced to safeguard the rights of the children.

HR8 Training of security personnel in human rights

ABB sees the training of security personnel, as well as ABB country and regional managers, on the human rights dimensions of security work as important. It has been part of general security training in different parts of the world for several years. By the end of 2011 more than 850 managers in more than 90 percent of ABB countries had been trained on crisis management; depending on local needs, some of that training contained sessions on human rights.

New Group-wide security guidelines are being drawn up, based on the Voluntary Principles for Security and Human Rights. They are due to be finalized in 2012. ABB already requires due diligence on all security companies according to ABB and international standards, and the new guidelines will establish standard operating procedures for security providers to include instructions on human rights issues.

In addition, ABB's country and regional security heads have been made aware of growing stakeholder expectations that human rights need to be observed, and of the kinds of human rights issues that could arise in communities where ABB has operations or business activities.

HR9 Indigenous rights violations

All countries in ABB's sustainability management program are asked to report any incidents of indigenous rights violations. No such incidents were reported in 2011.

HR10 Percentage of total number of operations that have been subject to human rights reviews and/or impact assessments

These data are not available. ABB is involved as a supplier in thousands of projects worldwide each year. Depending on the scope and size of the project – such as larger power infrastructure projects – some will require at least an Environmental and Social Impact Assessment performed by the customer. The data are currently not consolidated by ABB.

HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanism.

ABB has a number of formal grievance mechanisms, including a third-party run Business Ethics hotline available round the clock and an Ombuds program, where employees can report concerns confidentially. Figures are available for cases of discrimination and harassment (HR 4); other data are not available.

Sustainability in the supply chain

Developing strength in our networks

(includes GRI indicators EC6 and HR2)

ABB's suppliers – from raw materials to subcontractors – are an extension of our own business. As we pursue our growth strategy to 2015, strong supplier performance ensuring resilient, cost-effective and sustainable supply chains will be a key factor in our success.

When qualifying suppliers, ABB has long considered sustainability principles alongside the more traditional aspects of quality, cost and on-time delivery. We require suppliers to identify the health and safety and environmental risks in the scope of their supply to us, and we request evidence of social and human rights policies, and sustainability improvement programs. On-site audits have been conducted by ABB personnel and by the suppliers themselves in a self-assessment process.

The ABB Supplier Code of Conduct (SCC) defines the minimum standards for any company wishing to sell to ABB. All suppliers are required to fulfill their contracts according to standards comparable with those defined in the SCC. The code covers supplier performance in fair and legal labor conditions, occupational health and safety, environmental responsibility and business ethics. The SCC also requires suppliers to be responsible for the sustainability performance of the sub-suppliers they hire to provide direct or indirect goods or services to ABB.

To embed these principles both in our supply base and within our own supply chain management network, we are continuing our Supplier Sustainability Development Program. Commenced in late 2009, the program aims to develop suppliers into strategic business partners who share our commitment to sustainability and to build capacity in our supply chain management to ensure appropriate support for improving supplier performance.

The program began with a series of pilot sustainability audits of ABB suppliers conducted by a third-party company in 2009 and 2010. The audits focused on suppliers in higher risk countries, producing commodities using hazardous processes, such as castings and forgings, and were used to road-test new, Group-wide guidelines for auditors.

During 2011, we began full implementation of the program, conducting 125 third-party audits in 18 countries, with two-thirds of those audits in “high risk” countries, such as emerging economies. These audits revealed a number of situations where ABB's standards were not met. The issues which were discovered included excessive overtime, poor waste disposal practices, or a lack of appropriate protective equipment for

workers. In particular, at two suppliers 11 cases of child labor were detected. As soon as these cases were detected, the children were accompanied home by supplier personnel. The suppliers committed to pay for the children's education and to continue to pay the children's wages until they reached majority age, at which time the children would be allowed to recommence work at the supplier's premises.

ABB supply chain or quality managers are assigned to follow up the corrective action plans developed by the suppliers following their audits. Suppliers can be re-audited to ensure closure of corrective actions. Should a supplier not comply with their corrective action commitments, ABB will commence a process to de-source that supplier. To date, we have not de-sourced any suppliers as a result of sustainability audit findings.

Audits conducted during 2011 targeted both “high risk” and developed countries, to test our assumption that the majority of high risk findings would occur in high risk countries. Our assumptions were confirmed, and in 2012 we will focus the sustainability audit program in China, India, Mexico, Brazil and Eastern Europe, aiming to conduct 110 third-party audits during the period.

We developed and delivered supplier awareness training to over 200 suppliers in India and China in face-to-face sessions in 2011 to help them better understand our Supplier Code of Conduct and to help them to evaluate and improve their sustainability performance. In 2012, we will continue to expand the capacity-building program, conducting more face-to-face training with suppliers, developing online training modules and delivering specific training for our own supply chain staff, embedding that training in the existing Supply Chain Excellence program.

In addition to the focused Supplier Sustainability Development Program, ABB's global sustainability network also conducts focused environmental audits of suppliers, as part of our own facilities' ISO 14001 management systems. More than 950 documented environmental audits of suppliers were performed during 2011. Overall, more than 50 percent of approximately 1,500 key suppliers are externally certified to ISO 14001 and a further 10 percent have implemented “self-declared” environmental management systems.

The results show that we still have work to do to embed sustainability principles along our supply chain. We are committed to building capacity both within our own organization and our supply base, and believe that improved sustainability performance of our suppliers is a prerequisite for ABB's growth and improved performance into the future.

Working in the community

Committed to the community

(includes GRI indicators EC8, SO1 and EC9)

ABB engages in the community because we believe it is the right thing to do and we know it is good for our business if we are welcome in the areas where we operate.

From supporting schools in Brazil, India and South Africa, to charity fund-raisers in North America, or helping athletes at European Special Olympics, to an anti-desertification program in China, we work in a wide variety of ways to strengthen environmental, social and economic development in the communities close to our sites and offices.

ABB's community engagement focuses on two core areas: education and health care. In total, ABB employees and companies donated approximately \$6.5 million in funding and provided about 4,000 man-days in volunteering time in 2011 – a sharp increase in the number contributed in 2010.

For ABB, community engagement goes beyond philanthropy. The company needs local “buy-in” from communities close to our operations; it's essential to our social license to operate. Support for education projects not only raises standards but in some cases helps ABB to recruit qualified engineers and other staff.

We support schools, students and universities in different ways. There are schemes in countries such as Brazil, Czech Republic, Chile, China, India, Peru, Poland and South Africa to help young people and schools in disadvantaged areas. In China, for example, we support students through involvement in a scholarship scheme called the New Great Wall project.

There is clear business value in some of the programs. In Finland, for example, the company contributed to four universities in 2011 as a way of ensuring that engineering graduates have the qualities required by the industry. In Saudi Arabia, ABB holds annual training programs for students from vocational institutes and offers technical training to engineering students.

In other countries, support for universities is extended to individual student projects. In Finland, the company backed students developing solar technology for a sailing boat, while in Turkey, ABB supported a series of innovative projects at different universities. Elsewhere, such as in Chile and Peru, contributions are made towards building or improving school facilities.

ABB employees enjoy volunteering for projects. The largest such effort in 2011, which was backed by 1,000 man-days, was in the India, Middle East and Africa region. About 5,000 ABB employees and subcontractors – as well as family members – took part in a week of activities to promote greater health and safety awareness and performance in the workplace, at home and on the roads.

During the week, a series of training sessions and fun events were held in all Gulf Arab states, as well as Egypt, Jordan, India and parts of Africa. The events included road safety awareness sessions, safety inspections of employees' vehicles, safety observation tours by management and special trainings for working at height and electrical safety, as well as quizzes, a photo competition, health checks and relaxation therapy for employees.

In recognition, ABB won the Middle East Electricity Corporate Social Responsibility Award of the Year for our work to continually improve our health and safety standards.

The second largest volunteering effort in 2011 was in Germany where about 100 employees used a week of their holidays to support athletes with intellectual disabilities at the Special Olympics. More than 2,000 ABB employees have supported this annual event since the company began its involvement a decade ago. Similar events are backed by ABB volunteers in Italy, the United Kingdom and the United States.

The company is also involved in a range of projects focusing on health care. Employees in Canada and the United States raise funds through donations and charity events for hospitals and health-care organizations. In South Africa, we support a project to help orphans of HIV/Aids victims; in Egypt, the company helps a leading pediatric hospital in Cairo; and in the United Kingdom fund-raising efforts are focused on a cancer care charity.

ABB does not have a Group-wide method of measuring the impacts of community projects, but this is under development. For the time being, individual countries have their own ways of measuring success.

- ABB in Switzerland has an innovative program to give a second chance of an apprenticeship to young people who failed to complete their first apprenticeship. Success is defined as completion of their “second chance” and/or finding a job. More than 60 young people have taken part in the scheme so far with an 80 percent success rate.
- In India, the success of ABB’s support for six government schools in communities where we operate is measured and evaluated. The results include 1,670 children from disadvantaged backgrounds who received a free midday meal paid by ABB employee contributions, and some 217 children who received a medical check-up in the western city of Nashik in 2011.
- In Italy, country management is informed on a quarterly basis on the progress of projects using a set of key performance indicators. In common with other countries, non-governmental organizations are required to report fully on the effectiveness of their partnership programs with ABB.
- ABB has an innovative scheme in Brazil in which children aged between 7 and 16 are brought into schools set up at factories in Sao Paulo, and given an extra half day of tuition and medical care as a way of preparing them for a working life. Success here can be measured by the number of children who go on to a better life and jobs once they reach the age of 16.

At a corporate level, more than 80 students from around the world have now received scholarships from the ABB Jürgen Dormann Foundation for Engineering Education, which helps engineering students in need of financial support. Students from Malaysia entered the program in 2011, joining colleagues from Brazil, China, India, Mexico, Poland, Turkey and Vietnam in the scheme. The program is expected to be extended to other countries in 2012.

Students on the program will come together in August 2012 at the second international meeting of foundation scholars in Switzerland. A film about the foundation’s work is also being produced in 2012.

Turning to corporate partnerships, ABB renewed its six-year agreement to support the Geneva-based International Committee of the Red Cross (ICRC) at the end of 2011. It is the company’s largest corporate sponsorship.

Under the agreement, ABB will contribute financially to the ICRC’s Water and Habitat program, which supports people in water-stressed areas and countries, and provides emergency accommodation to people caught up in zones of conflict. In 2012, ABB’s funds are being used to support water programs in the Democratic Republic of Congo and Iraq.

ABB has benefited from training sessions given by ICRC specialists on humanitarian law and crisis management, as well as informal exchanges. In 2011, ABB engineers contributed to a training session on electromechanical engineering for ICRC staff members in Geneva.

We also continued our partnership agreement with WWF, the global conservation organization. There are four ongoing projects with WWF, two of which formally started in 2011. ABB in India is partnering with WWF to set up a solar-charged battery project in West Bengal for people to recharge their electrical goods; and in South Africa, solar panels were installed at a center for orphans of HIV/Aids victims.

In another project, a joint energy-efficiency training program for Chinese industry representatives has been held in five cities, including Beijing and Shanghai, with around 330 people taking part.

ABB’s common efforts continue to focus on our “Access to Electricity” rural electrification program in India and Tanzania, which is strengthening the economic, social and environmental development of people in remote communities.

In Tanzania, ABB has partnered with local authorities and WWF to provide electricity to a village in the south of the country. The benefits of increased access to electricity have been marked and measurable. They include more schooling after dark, the health clinic being able to treat patients for more hours a day, and the start of new businesses such as an electric sawmill and an oilseed press which are raising incomes and supporting better environmental management.

And in the Indian state of Rajasthan, ABB has partnered with an NGO and state authorities to bring distributed solar power to a widespread desert community. Some 8,000 people are benefiting from increased earnings because of the ability to work after dark, increased access to health care and more schooling. Tailors and weavers, for example, are earning up to 50 percent more because they can work at night, and the number of children attending school has doubled.

In these and other projects, ABB seeks to make a difference to the communities where we operate. We will continue to build on such activities with further engagement and contributions.