

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.