

# Working in the community

## Helping people in different ways

(includes GRI indicators EC8, SO1 and EC9)

ABB focuses on two main areas of work in communities: supporting education and health. This engagement in different parts of the world is part of our social license to operate. We know we can make a difference, and it is good for our business to be welcome in the areas where we operate.

Our activities include supporting schoolchildren and students in Brazil, China, India and many other countries, and promoting health care causes in different parts of Asia, Europe, North America and the Middle East. We also work in partnerships with non-governmental organizations to support rural and relief projects in Africa and Asia.

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ABB's high-voltage cables factory in the Swedish town of Karlskrona faced a problem: a shortage of skilled labor in an area of high youth unemployment. In agreement with unions, ABB started a job induction project to give unemployed young people who had no previous work experience and, in some cases, no qualifications work on a trial six-month basis. All but two of the 36 people who went on the intensive course in the first year now have contracts with ABB.

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Our community work is key to ABB's business success. 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 health care can have positive social and economic impacts among key company stakeholders, such as employees, suppliers and customers, and the communities around our facilities. A healthy environment has a clear business benefit.

We participated in a wide variety of projects in 2012.

- In the United States, ABB supports a range of causes, including support for scholarships for students, cultural institutions, sports events in aid of cancer relief, disaster relief, different charities, and an exhibition designed to explain Smart Grids to children. In Canada, financial contributions are raised in a variety of ways, including auctions and a special breakfast served by the country manager.
- To address the skills gaps of students who leave college with little prospect of employment in industry, ABB works

with the Swiss-South African Co-operation Initiative to provide workplace experience for engineering students at further education and training colleges. About a dozen students come to ABB every year under the scheme, and several have been hired.

- In India, ABB outsources part of its electrical relay sub-assembly work to centers for differently-abled people. Dozens of people benefit from training and earn between \$45–70 a month, providing them with an income and increased self-respect.
- ABB has an innovative scheme in Brazil in which children aged between eight and 16 are brought into schools that are set up at factories in São Paulo, and given an extra half day of tuition and medical care as a way of preparing them for a working life. The program now covers 200 children a year, and about 70 percent go on to gain employment.
- In Finland, a local business unit delivers unused or malfunctioning equipment to a recycling organization which employs long-term unemployed people. The proceeds from the sale of repaired products helps fund the organization.

In total, ABB employees and companies were involved in nearly 300 projects worldwide in 2012. They donated approximately \$5.5 million in cash and provided about 5,000 man-days in volunteering time.

About half a million people benefited as a result of these efforts. ABB is introducing a Group-wide method of measuring the impacts of our community projects in 2013 which is designed to strengthen the link between identified community needs, business benefits and the objectives of the projects.

### Education

We support schools, students and universities in different ways. There are schemes in countries such as Brazil, Chile, China, Colombia, India, Peru, Poland, South Africa and Thailand to help young people and schools in disadvantaged areas.

The kinds of ABB contribution vary considerably. In China, for example, we support students through involvement in a scholarship scheme called the New Great Wall project which provides funds to needy students. In India, ABB supports six government schools in communities where we operate. Some 3,400 children from disadvantaged backgrounds benefited in 2012 through improved education, medical check-ups and a midday meal paid for by ABB employee contributions.

In the Peruvian capital, Lima, ABB contributes to a program – financially and through training and equipment – to teach young people with few employment prospects to become electrical specialists. About 97 percent of young men and women go on to find work after the training.

There is clear business value in contributing to technical schools and universities, raising skill levels and brand awareness among potential recruits. We give equipment and support training programs at such institutions in Australia, Estonia, France, Latvia, Saudi Arabia, Turkey and the United States.

At another level, ABB in Sweden is one of four main sponsors of Mattecentrum, an organization which helps young students to improve their mathematics skills. Volunteers help to teach the students in their spare time.

#### Health care

The company is also involved in a range of projects focusing on health care. Cancer charities are the focus of fund-raising activities in Denmark, the United States and United Kingdom; employees improve the homes of elderly people in Shanghai and Singapore; in South Africa, we support a project to help orphans of HIV/AIDS victims; and in Egypt, the company helps a leading pediatric hospital in Cairo.

Some of ABB's main volunteering activities have a health focus. Every year about 150 ABB employees in Germany spend a week of their holidays helping people with mental disabilities take part in the Special Olympics, a rich experience for the athletes, volunteers and an increasing number of customers who take part. A similar program is supported in the United Kingdom. In the Czech Republic, all employees are given a day off each year to volunteer for a variety of activities, many of which include helping people with disabilities in activities such as skiing.

Employees in Italy support people with Multiple Sclerosis and their families to ensure that those affected are not marginalized by the illness. Employees spend a day a year helping people with the illness to take part in public activities, family weekends and national events.

#### Corporate programs

At a corporate level, more than 100 students from around the world have now received scholarships from the ABB Jürgen Dormann Foundation for Engineering Education, which helps talented engineering students in need of financial support. Students from Indonesia entered the program in 2012, joining colleagues from Brazil, India, China, Malaysia, Mexico, Poland, Turkey and Vietnam in the scheme. A total of 30 scholars attended the biennial international meeting held in Switzerland in 2012.

ABB has a number of Group-level sponsorships which have major impacts on the ground. The largest such agreement is with the Geneva-based International Committee of the Red Cross (ICRC) which came into effect at the start of 2012. It is the second six-year agreement ABB has signed with the ICRC.

ABB's annual contribution in 2012 supported the ICRC's programs to supply clean water to thousands of people in Iraq and the eastern Democratic Republic of Congo. A number of exchanges of expertise are also ongoing and in 2012, for the second consecutive year, ABB engineers contributed to a training session on electromechanical engineering for ICRC staff members in Geneva.

We also continued our partnership with WWF, the global conservation organization which covers three ongoing projects in India, China and Tanzania. In the India project, which started in 2012, a solar-powered battery charging station has been set up to provide poor communities in a coastal area of West Bengal with access to a clean and reliable source of electricity. Initial results are encouraging with dozens of households and small stores benefiting from electricity, and efforts are under way to expand the project.

The importance of ongoing, in-depth stakeholder consultation in community projects was underlined in one of ABB's "Access to Electricity" rural electrification programs in India. With the support of an external consultant we carried out a detailed survey of the social and economic impacts of distributed solar energy electricity in an 8,000-strong community we have been supporting for the past six years. There has been increased access to health care and more schooling but the benefit of increased earnings is not uniform. The survey's conclusions will inform the next steps in the project.

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.