



Our people

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Developing our people

Central to business success

(includes GRI indicator LA11)

ABB is a truly international company. We are headquartered in Switzerland and have strong historical ties there and in Sweden, but this company is not the product of a particular country or national identity.

A walk along any corridor at corporate headquarters in Zurich underscores the company's cultural diversity. People from 50 countries are represented in the 700-strong workforce. It's a diversity – and strength – that is mirrored in many of the 100-plus countries where ABB has business operations.

ABB operates in about 100 countries around the world, so understanding and working with cultural differences is key to success. Particular value is placed on a cross-cultural workforce. A total of 2,350 people have roles with global responsibility at ABB. They come from 70 different countries, providing cultural awareness and sharing experiences that help international teams work together in a unified way.

ABB has been expanding rapidly in recent years as part of ambitious growth plans. A highly trained, motivated and well-integrated international workforce is a key factor in achieving business success and strategic goals.

Supporting business success

New tools and processes have been introduced by human resources specialists to strengthen the business, and support the development and mobility of employees. For example, a number of learning and development work streams were developed in 2012 focusing on sales, project management and service, which are key to ABB's growth.

Other programs being introduced in 2013 include specialized tools and processes for new and existing employees in the growing service business in order to recruit and retain the right people, maximize their skills and equip them for a changing work environment. A sales simulator has also been developed to provide sales staff around the world with an interactive way to develop and refine their skills.

Employee mobility is also becoming increasingly important to business success. Mobility improves the sharing and transfer of knowledge, and forms part of career development.

Considerable efforts have been made in ABB to capitalize on the benefits of increased mobility. About 950 people were on international assignments in 2012 – a 12 percent increase on 2011.

We are also starting to see more employees from emerging economies move on assignments to ABB locations in mature markets, as well as the more customary moves in the other direction. In 2012, for the first time, India and China entered the top ten exporting countries for talent within ABB. China saw a 21 percent increase in the number of assignees going to other countries while India saw an 11 percent increase.

Under a cross-region talent sharing scheme introduced in 2012, ABB employees facing the economic downturn in Mediterranean countries have increasingly been prepared to re-locate to other ABB units, particularly in central Europe and South America, where there were job vacancies. In Spain, for example, employees whose motors unit was being downsized were encouraged to seek new jobs at other ABB European locations.

Diversity

For ABB, achieving cultural diversity is a function of how we run an international business. A diverse and talented workforce, recruited globally, provides the quality and skills that support innovation and business success.

However, one area of diversity where we have room for improvement is gender, and this is where our effort is currently concentrated with a number of local and corporate-level initiatives.

In India, for example, ABB has launched a number of programs to strengthen the presence of women in executive, functional and factory roles. Among the measures are workshops for line managers to strengthen understanding of the business value of diversity and inclusiveness; and efforts to increase the number of women in the interview pipeline, and to raise the number of women on the shop floor. Child care centers have also been opened to enable more women to work.

In Saudi Arabia, people from more than 30 countries work for ABB. For the first time, we also hired Saudi women in 2012 in accordance with labor laws and a number of women were selected for internships. The emphasis in South Africa is different: all employees received training to promote greater understanding of disabilities and ways of integrating disabled people into the workforce.

A Group-wide inclusiveness network was established in 2012, aimed primarily at finding and highlighting female talent in regions and business divisions. ABB also takes part in international initiatives. We have 18 women, half from functions and half from the business, representing the company at the international Women's Forum for the Economy and Society.

ABB currently has one woman on the Group Executive Committee and one on the Board of Directors. A number of women were promoted to senior positions in 2012, including head of Investor Relations, and country and region-level business and functional leadership roles.

Training and development

Another key area of focus is how we can develop talented employees in increasing numbers to meet our business goals.

Despite the economic downturn, we continued to invest during 2012 in learning and development programs for our employees to ensure we have high-caliber people in the right places. Our programs include:

- A Talent Management process which has been improved and embedded in all regions. Around 89,000 personal performance and development assessments were conducted in 76 countries through new tools. The process focuses on identifying those people with potential, building on their strengths, and supporting development activities.
- Leadership development programs for different levels of management. A total of 95 senior managers attended two courses of the Senior Leadership Development Program held in partnership with the IMD business school in the Swiss city of Lausanne. The Middle Manager and First Line Manager programs covered a further 400 middle managers and 1,600 first line managers in 2012.
- The three-day Leadership Challenge program, offered to all employees and delivered in 14 languages, focuses on taking personal leadership, irrespective of position or role in the company. Another 5,600 employees completed the course in 2012, bringing the overall total to about 54,000 since it started in 2004.

Attracting young people

Attracting talented young people and developing them for future leadership roles is also key to business success.

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.

There were 28 global trainees from 20 countries in 2012. They were selected for a range of programs, including finance, human resources, energy, sustainability, marketing and sales.

Competition to attract talented graduates is fierce. One of the ways ABB seeks to attract the best prospects is through partnering with CEMS, a strategic alliance of leading business schools and multinational companies whose goal is to set a global standard of excellence for pre-experience Master's in management. ABB has been a partner for the past three years. About 60 CEMS alumni work at ABB.

Once graduates join the company, they benefit from the ABB Life program which is designed to develop and prepare talented young people for future leadership roles. A total of 320 young employees went through the program in 2012.

Other Human Resources-led programs are also available to help in personal development. These include the Global Mentoring scheme which was launched in 2008. A total of 216 mentors and mentees attended the program in 2012. Mentees benefit from advice and guidance; mentors also learn things and appreciate the opportunity to pass on their knowledge and experience.

And, as part of other efforts to improve language skills, ABB has a Standard English training course offered online and free of charge to employees and their family members. About 24,000 people in around 100 countries have so far activated a license to strengthen their skills.

All these programs are designed to foster business excellence and success, and strengthen the development and loyalty of employees. As we forge ahead with our growth plans, much more work lies ahead.

Social Performance Indicators

Employment

LA1 Full-time workforce by region

2.8 Scale of the reporting organization

LA1 Employment			
Full-time employees by region	2012	2011	2010
Europe	64,000	60,300	58,800
The Americas	34,400	25,900	17,700
Asia	38,300	37,400	30,900
Middle East and Africa	9,400	10,000	9,100
Total	146,100	133,600	116,500

LA1 Part-time workforce by region

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

For 2012, 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	2012	2011	2010
Europe	2,835 5%	2,924	3,133
The Americas	169 1%	108	143
Asia	1,391 4%	106	183
Middle East and Africa	4 <1%	1	4
Total	4,399 3%	3,139	3,463

LA2 Rate of employee turnover by region

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

For 2012, 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	2012	2011	2010
Europe	5,083 8%	10%	11%
The Americas	3,689 14%	15%	16%
Asia	4,149 12%	13%	14%
Middle East and Africa	911 15%	14%	8%
Total turnover for whole Group	13,832 11%	12%	12%

Turnover of all female employees, including part-time:

For 2012, 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 of all female employees, including part-time	2012	2011	2010
Europe	1,218 2%	1,364	1,407
The Americas	676 3%	531	631
Asia	1,023 3%	1,086	1,060
Middle East and Africa	70 1%	184	51
Total turnover for whole Group	2,987 2%	3,165	3,149

LA3 Benefits provided to employees

ABB, as a multinational organization with operations in around 100 countries, 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 49 percent of the company's employees 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 66 per cent of Group employees. All countries reported figures for 2012 and the full list appears on the ABB website.

We define women in top management positions as women in Hay Grades 1–10. This enables us to compare figures from country to country on the same basis.

LA10 Training and education

Training per year per employee (average hours)	2012	2011	2010
Brazil	27	25	26
China	31	34	40
Czech Republic	12	11	10
Finland	14	13	13
Germany	16	16	16
India	18	5	4
Italy	16	17	17
Sweden	12	12	10
Switzerland	19	17	20
USA	24	25	25

LA13 Diversity and equal opportunity

Women in senior management (percentage)	2012	2011	2010
Brazil	16	7	7
China	27	25	25
Czech Republic	19	18	19
Finland	16	15	17
Germany	7	7	4
India	2	2	2
Italy	7	7	7
Sweden	24	22	22
Switzerland	7	7	7
USA	15	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.

LA13 Other indicators of diversity

As at December 31, 2012, ABB's Board of Directors had eight members – seven men and one woman – of seven nationalities, whereas the Group Executive Committee had 12 members, including one woman, of eight nationalities. In addition, people from 50 countries were among the 700-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 2012 was just over 4,400. Nearly half of those were women. The numbers varied according to culture and region. ABB expects to be able to provide further detailed data in the 2013 report.

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 on approximately 390 sites 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.

Occupational health and safety

Learning and building together

ABB is committed to achieving excellence in Occupational Health and Safety (OHS) and works to achieve this objective through both strategic, Group-led programs and business-specific initiatives.

To support these initiatives, we continue to invest in the competence and development of our people through widespread training and the International Diploma program, and through the provision of additional, specific resources in areas of growth and known high risk activities.

Nonetheless, following an extended fatality free period, sadly we recorded four fatal incidents during 2012; three at the workplace and one during road travel. The fatalities involved two ABB employees and two contractors and occurred in Saudi Arabia, Sweden, Brazil and Congo-Brazzaville.

The number of serious injuries to ABB employees and contractors also increased from 38 in 2011 to 42 in 2012. Serious injuries occurred in all divisions and all regions, with the most common risks identified as falls from height, electrical contact and being struck by objects. All incidents are investigated to identify root causes and lessons learned are communicated throughout the company.

The loss of colleagues and contractors and the increase in serious injuries are of grave concern for us and provide additional impetus for our continued strong focus on OHS improvement programs.

During 2012, we continued to embed OHS in business practices, developing a framework to align goals, standards and processes across our global markets and operational divisions. Business-led OHS programs continued to focus on the particular needs and activities of the different business units (BU) and a new program was initiated in the Motors and Generators BU of the Discrete Automation and Motion Division.

This BU has grown significantly following the acquisition of Baldor Electric Company in 2011 and the OHS improvement program was initiated by the BU to build awareness, knowledge and consistent practices across its operations. The program focused on BU-specific risks, such as lifting, electrical testing, and mechanical handling. It consisted of intensive training in theory and practice and sessions were held in factories in Finland, India, Italy and China, each resulting in improvement action plans.

To support ABB's strategy to grow our service business, we appointed a Group Service OHS Advisor in 2012. The Advisor is responsible for developing the OHS strategy for ABB Service in line with its growth ambitions and the risk profile of the business, and to coordinate activities throughout regional, country and BU service organizations.

In the service business, collaboration with our customers and other partners is critically important for mutual success. Such a collaboration with ABB Full Service customer Vale at its Voisey's Bay nickel mine in northern Canada has achieved a major safety milestone – three years with no lost-time incidents. Vale Concentrator Department, ABB and Iskueteu, a local operations support company, worked together to implement best practices for workforce safety, production efficiency and maintenance excellence. Together, we have instilled a strong safety culture into the workforce.

In recognition of the value our service customers place on strong OHS performance, ABB also launched an internal Global Service Award for Safety. The award is intended to recognize service activities resulting in more effective injury or illness prevention and to promote leadership in this area. The 2012 award acknowledged the creation of a guide that provides safety instructions for different machines found in the workplace, with easily-understood material for both new and experienced employees.

In 2012, ABB also expanded the scope of our Group-led programs, rolling out our Group occupational health strategy with a series of awareness training sessions around the world. More than 120 people in seven regions were trained to address occupational health risks, such as exposure to hazardous substances, physical agents, noise and vibration.

The sessions involved a combination of theory and practice to assist effective management and monitoring of risks at country and site level. Participants prepared their own occupational hygiene management programs and during 2013 we will conduct reviews to assess implementation of these programs.

The strategy is led by a global Occupational Health Team consisting of occupational health physicians and OHS professionals who also provide support and guidance for local programs. In 2012, we appointed a Group Occupational Health Physician to spearhead this program.

At country level, OHS improvement programs are organized according to formal country OHS strategic plans that are tailored according to local conditions and business needs. Progress towards performance targets and implementation of training and development programs is monitored quarterly at Group level.

Increasingly, local ABB OHS programs are being recognized by external stakeholders. For example, in the US in 2012, ABB Inc. was named one of America's safest companies by EHS Today, a leading publication and resource for safety, health and industrial hygiene professionals. Newly-integrated Baldor plants also received the Award of Excellence in Safety from the state of Georgia, the North Carolina Department of Labor Safety Award, the South Carolina Chamber of Commerce Commendation for Excellence for Safety and the Arkansas Department of Labor Safety Award.

For 2013, we will continue to develop our model for OHS excellence, building awareness and understanding at every level of the company. We will build our OHS behavior standard as an integral part of the Group processes that define the values of the company and work to ensure business-specific needs are recognized and met.

Occupational health and safety performance: GRI indicators

LA6 Percentage of total workforce represented in health and safety committees

Health and safety consultation is an integral part of ABB's commitment to introduce into all businesses occupational health and safety management systems based on OHSAS 18001 and the International Labour Organization (ILO) guidelines. The form of health and safety consultation with employees varies according to local requirements and cultures. It includes health and safety committees and employee forums.

At Group level, ABB has a standing Occupational Health and Safety (OHS) committee chaired by an Executive Committee member whose mandate covers all employees.

LA7 Injuries, lost days, diseases and fatalities

	2012*	2011	2010
Employee work-related fatalities	1	0	1
Incident rate	0.01	0	0.01
Employee work-related serious injuries	22	22	15
Incident rate	0.16	0.18	0.13
Employee business travel fatalities	1	0	2
Incident rate	0.01	0	0.02
Employee business travel serious injuries	0	3	5
Incident rate	0	0.02	0.04
Contractor work-related fatalities	2	0	2
Contractor work-related serious injuries	20	16	16
Contractor business travel fatalities	0	0	0
Members of the public fatalities	0	0	0
Employee lost days due to industrial incidents	10,345	9,478	8,362
Employee occupational health diseases	10	7	13
Employee total recordable incident rate	13.04	13.17	13.48

* These data do not include incidents from Thomas & Betts, a company acquired by ABB during 2012.

In these statistics, figures for fatalities also include deaths occurring within one year as a result of injuries sustained. Incident rates are according to the ILO rate per 1,000 employees. The total recordable incident rate includes the following incidents: serious injuries, lost time incidents, medical treatment injuries, occupational health diseases and restricted work day cases. "Lost days" are calendar days, and are counted from the day after the incident. Business travel incidents include injuries related to road travel. Incidents during air travel, on business trips, are excluded.

LA8 Programs in place regarding serious diseases

More than 30 ABB country organizations report programs in place to address serious diseases. The majority of programs include stress management, health screening for conditions such as diabetes and hypertension, and counseling schemes to assist employees to maintain healthy lifestyles and a suitable work-life balance. Other initiatives include vaccination programs and cancer screening.

In four countries (Brazil, Mexico, Philippines and South Africa) ABB has specific programs in place to address HIV/AIDS and ABB in Italy worked with "Save the children" and the Association of Volunteers in International Service (AVSI) Foundation to collect funds for a program to fight HIV/AIDS in developing countries.

Additionally, all ABB travelers receive destination-specific security and health advice prior to travel. The health advice includes medical preparedness, medical screening where needed and advice on particular health risks at their destination.

LA9 Health and safety topics covered in formal agreements with trade unions

This information is not recorded by the Group, but local legislation requires formal agreements in some countries such as Germany and South Africa. Group health and safety performance is reported annually by the head of Group Function Sustainability Affairs at a meeting with the European Works Council.