

UN Global Compact reporting.

Human Rights

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights

- Human rights considerations embedded in new internal protocol for deciding where ABB should have business activities
- New Code of Conduct
- Active participation in international organizations and workshops seeking to promote business awareness and support for human rights

Principle 2. Make sure they are not complicit in human rights abuses

- New Code of Conduct
- Active participation in international organizations and workshops seeking to promote business awareness and support for human rights
- Wide-ranging stakeholder dialogue in Africa to ensure ABB is non-complicit in abuses
- Internal protocol formally introduced in 2006 for deciding where ABB should have business activities. Among the aims: to avoid complicity

Labour

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

- Code of Conduct and Principle 6 of ABB Social Policy. All countries were asked to formally report on this principle. No violations were reported in 2006
- In countries where the law does not permit this right ABB facilitates regular consultation with employees to address areas of concern

Principle 4: The elimination of all forms of forced and compulsory labour.

- Code of Conduct and Principle 4 of ABB Social Policy. All countries were asked to formally report on this principle. No violations were reported in 2006

Principle 5: the effective abolition of child labour.

- Code of Conduct and Principle 3 of ABB Social Policy. All countries were asked to formally report on this principle. No violations were reported in 2006
- The principle of “no child labor” included in ABB’s protocol for supplier audits

Principle 6. Eliminate discrimination in respect of employment and occupation

- **Code of Conduct and Principle 7 of ABB Social Policy.** All countries were asked to formally report on this principle. No violations were reported in 2006
- **ABB also has procedures and programs in different countries to ensure that policies are fully observed**

Environment

Principle 7. Business should support a precautionary approach to environmental challenges

- **Environmental considerations are mandatory in the ABB Gate model for product and process development**
- **Standardized Life Cycle Assessment procedures are used to assess new products' environmental impact throughout their life cycle**
- **Ongoing program to phase out use of hazardous substances in manufacturing and products**
- **Two-year initiative launched to cut ABB's energy use by 5 percent per manufactured unit**
- **New guidelines and instructions were introduced in 2006 for social and environmental risk in projects**

Principle 8. Undertake initiatives to promote greater environmental responsibility

- **Work with international organizations and initiatives, such as World Economic Forum's Climate Change roundtable, WBCSD and 3C initiative**
- **ABB has implemented a new and strengthened audit protocol for auditing of suppliers' environmental performance**
- **ABB's ongoing Access to Electricity rural electrification programs in India and Tanzania**

Principle 9. Encourage the development and diffusion of environmentally friendly technologies.

- **Transfer of technologies and best practice between countries to ensure same level of environmental performance throughout Group**
- **Group-wide list of prohibited substances for products and processes strengthened in 2006**
- **Code of Conduct and Principle 5 of ABB Environmental Policy**

Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.

- **New Code of Conduct, rolled out in 45 languages to all employees**
- **Compulsory e-learning courses on Code of Conduct and OECD's anti-bribery course**
- **New external 24-hour Business Ethics hotline**
- **Group Charter launched and communicated worldwide, describing the structure and contents of corporate governance**
- **Creation of Executive Committee Compliance Task Force**
- **Special Investigations Organization expanded with officers based in three regions**