

Bronislav Dugi, ISO/HZN National workshop on Social Responsibility, September 9-10, 2010

Social Responsibility and ABB Operations in South-Eastern Europe

ABB Group

About ABB

- ABB is one of the world's leading power and automation groups, and one of the best known brands in its markets
 - Power Products: key components to transmit and distribute electricity, transformers, switchgear, circuit breakers, cables, etc.
 - Power Systems: turnkey systems and services for power transmission and distribution grids, and for power plants
 - Discrete Automation and Motion: products, solutions and services that increase industrial productivity and energy efficiency
 - Low Voltage Products: circuit breakers, switches, etc. to protect people, installations and electronic equipment from electrical overload
 - Process Automation: products and solutions for instrumentation, automation and optimization of industrial processes
- Around 117,000 employees
- Operates in around 100 countries

ABB Group Sustainability

- Sustainability is about balancing economic success, environmental stewardship and social progress to benefit all stakeholders
 - Environment
 - Policy and performance, covering sites, products and suppliers.
 - Occupational Health and Safety
 - Policy and performance, covering employees and contractors worldwide.
 - Corporate Responsibility
 - Policies and performance covering human rights, community engagement and the supply chain.
 - Crisis Management
 - Policies and programs to safeguard employees and assets worldwide.
- www.abb.com/sustainability

ABB Group Corporate Responsibility

- Environment
 - Environment Policy
 - Group Directive "Environmental Standards and Guidelines"
 - increased energy efficiency
 - curbing climate change
 - product innovation
 - renewable energy sources
- Social responsibility
 - Human Rights Policy and Statement
 - Group Directive "Social Standards and Guidelines"
 - health and safety
 - working in the community
 - access to electricity
 - sustainability in the supply chain

ABB Group

Participation in global SR initiatives

- United Nations Global Compact
 - one of the 50 companies that supported the launch in 2000
- Global Business Initiative on Human Rights
 - member of the core group of companies
- Global Reporting Initiative
 - issues annual Sustainability Reports based on GRI templates
- International Committee of the Red Cross
 - founding member of the ICRC Corporate Support Group in 2005
- World Business Council for Sustainable Development
- Amnesty International
- Transparency International
- ... and others

ABB Group

Introducing the region

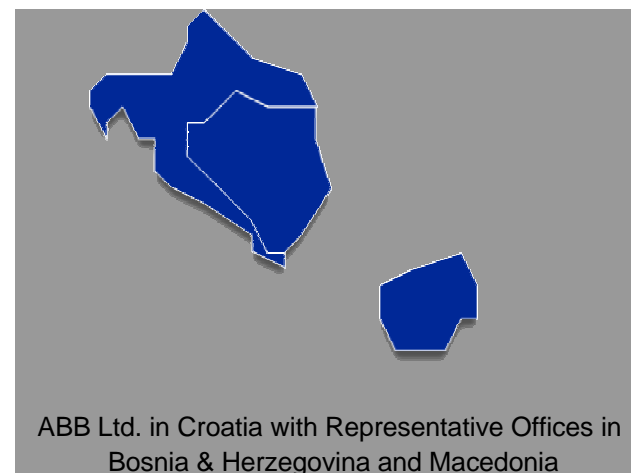
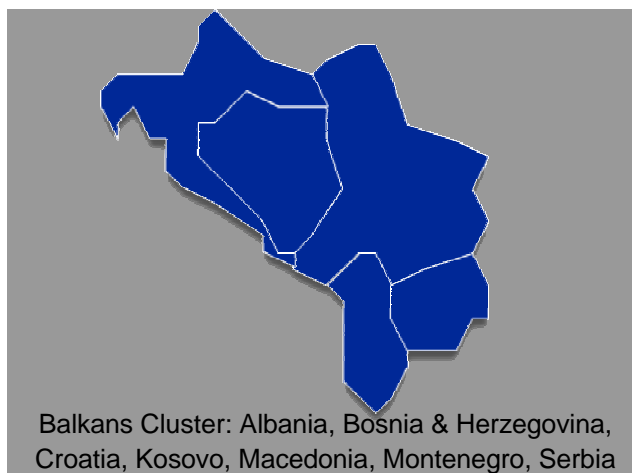
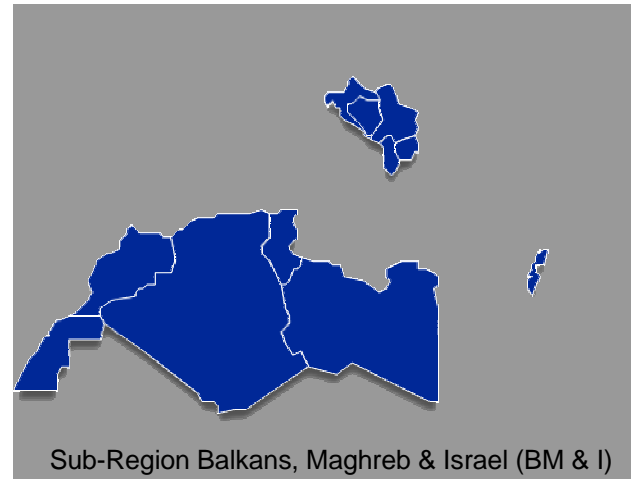
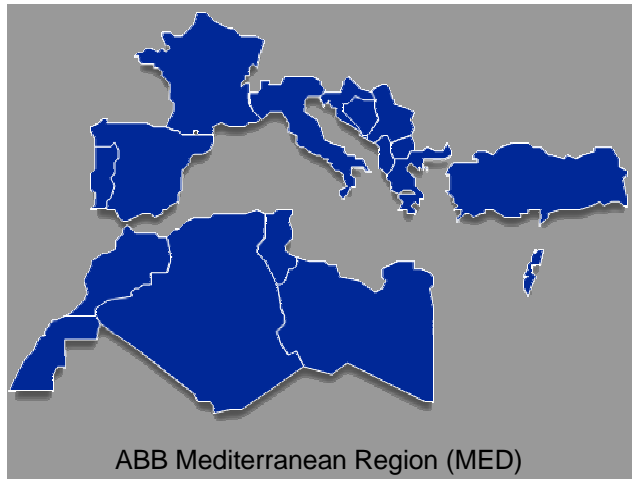


ABB in the Balkans Cluster Overview

- ABB Ltd. in Croatia
 - includes Representative Offices in Bosnia & Herzegovina and Macedonia
 - 240 employees
 - ISO 9001 and 14001 certificates, OHSAS 18001 in preparation, ISO 27001 in perspective
- ABB Ltd. in Serbia
 - 53 employees
 - ISO 9001 certificate
- ABB Representative Office in Albania
 - 4 employees
 - so far no certificates

ABB in Croatia

Status and recent changes

- No large-scale manufacturing; large part of the on-site activities performed by the subcontractors
- Until spring 2010, most operations were carried out in the field of Power Systems and Power Products
- The operations were geographically limited to the territory of Croatia and to other Balkans Cluster countries
- So, basically:
 - environmental issues were few and not particularly demanding
 - social, cultural and legal environment was rather uniform and familiar
- In May 2010, ABB acquired a Croatian company with considerable know-how in the automation of the metals industry
 - the market is being significantly extended, in some areas worldwide
 - new social, cultural and environmental aspects must be addressed

ABB in Croatia

New SR challenges

- Strict compliance to legislation in all territories
- Increase in domestic manufacturing will mandate improvements in product design for increased productivity, energy efficiency and decreased environmental impact
- Regionally, striving to stay a true equal opportunity employer, and to be perceived as such by the stakeholders
- Continual improvement of social, OH&S and environmental performance and closer supervision of the respective subcontractors' performance
- Due diligence when operating with local subcontractors in countries with differing social, cultural and legal systems
- The sound SR foundations already laid out by the ABB Group are expected to be of significant help in meeting these challenges

Power and productivity
for a better world™

