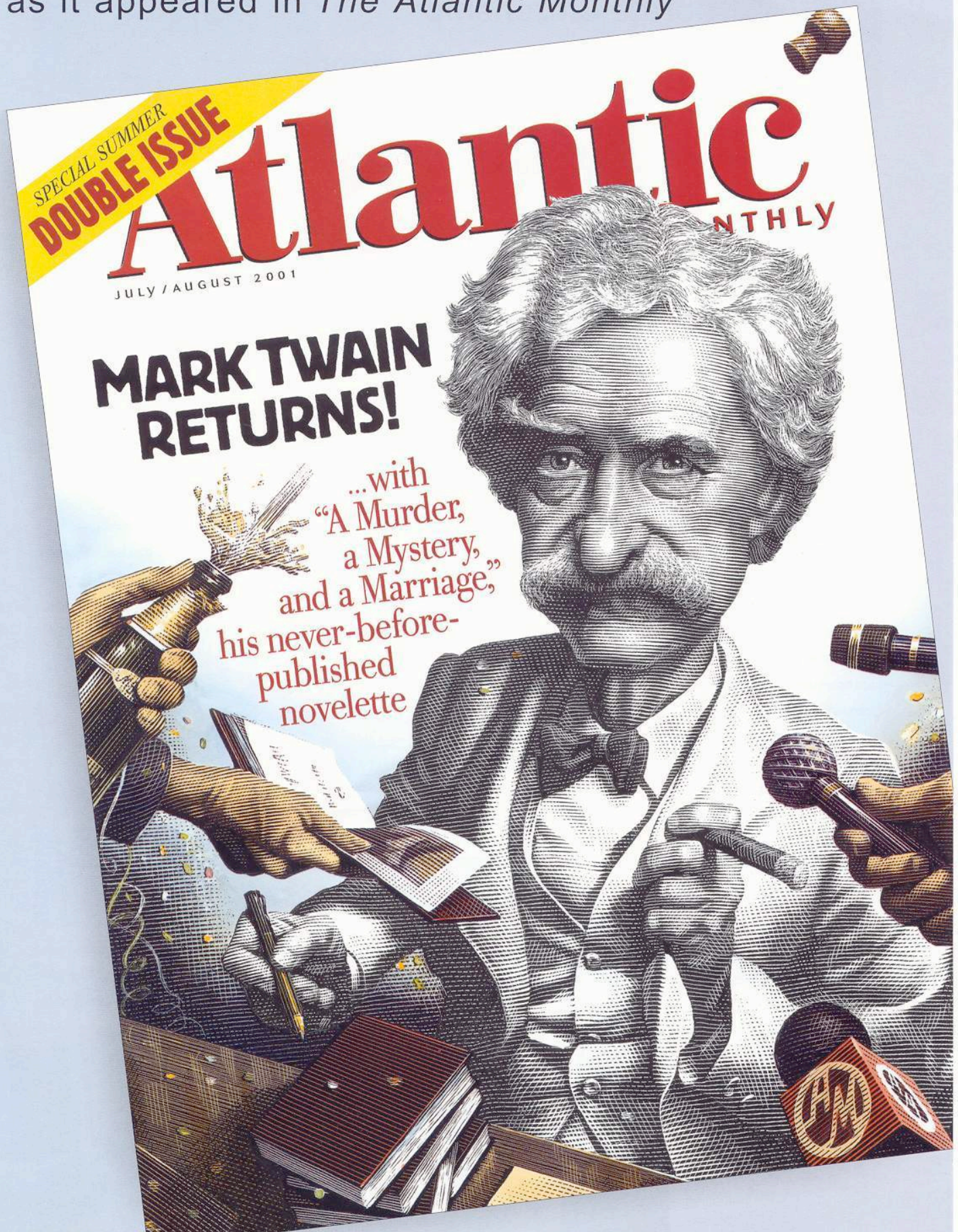


ABB advertisement  
as it appeared in *The Atlantic Monthly*



# Corporate Citizenship: A Global Compact

Corporate citizenship and sound business practices are viewed in some quarters as mutually exclusive. If that notion was ever valid, it is certainly out of synch with present-day realities.

The private sector's impact on economic growth, social progress, and the health of the environment has never been greater than today. According to the United Nations Development Program (UNDP), more than half the world's 100 biggest economies today are corporations, and the volume of private, transnational capital flows exceeds government development funding in emerging markets by a factor of five. To abdicate responsibilities of corporate citizenship on the pretext that profits will suffer is more than merely cynical. It is dangerous.

## A myopic perspective

Moreover, from a business perspective, it is woefully short-sighted. In today's interconnected world, no company can afford to view the world and its

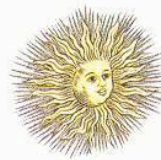


relationship to it solely through the lens of profit and loss. Nor can any company hope to achieve lasting competitive leverage by addressing shareholder needs in isolation from those of its employees, its customers and the communities where it operates.

Far from compromising financial performance, corporate citizenship enhances it.

## Where profit and principle meet

It is no coincidence that the most successful companies are those that place the highest premium on social and environmental responsibility. Their values are demonstrated on multiple levels –



philanthropy, volunteerism, community leadership and, perhaps most telling, actions: Companies that treat their employees, community and the environment responsibly are better positioned for long-term growth and financial success.

## A unique opportunity

The UN's Global Compact raises corporate responsibility to the next level. Launched in July 2000, it has been signed by more than 50 international companies,



including ABB, who recognize the unique opportunity it presents to integrate more closely with their political, social and economic surroundings.

But the Global Compact also imposes an obligation to play a more active role



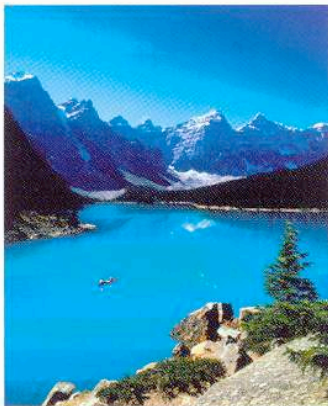


in society. It is a call to achieve substantive change through advocacy, knowledge-sharing and collaboration – with one another, with suppliers and customers, and with governments, NGOs, UN agencies and organized labor. Protecting the environment, protecting human rights, improving labor standards: these are the aims of the Global Compact.



### The role of technology

Innovative technologies must figure centrally in attaining these objectives. At ABB, an awareness of our



community and stakeholder obligations drives much of our research and development.

We have developed new techniques for reducing greenhouse emissions and

harnessing renewable, non-polluting energy sources, such as wind power, micro-gas turbines and fuel cells.

And the application of knowledge-based solutions in automation and industrial controls is already yielding improvements in living standards, working conditions and public health in many areas of the world. For example, advanced processes for water purification and desalination are helping to bring adequate supplies of drinking water to many developing countries for the first time.

### Global scope, local focus

The Global Compact is not about imposing western cultural values on the developing world. On the contrary, its purpose is to ensure that all reap the rewards of global prosperity. Notwithstanding its universal scope, its most important work must take place at the local level, with the full participation of local stakeholders. But



transparency and access to information are essential. In pursuing a common goal we needn't – indeed, we mustn't – attempt to homogenize viewpoints or cultural perspectives. Instead we must always be willing to discuss our differences openly.



### A shared responsibility

At ABB, our service to customers is informed by knowledge, a multicultural perspective and a commitment to improved performance. It is by applying those same assets that we seek to fulfill our responsibilities as a corporate citizen – and to help advance the aims of the Global Compact.



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*ABB serves manufacturing, process and consumer industries, utilities, and the oil and gas markets. The company's U.S. operations employ more than 16,000 people at manufacturing and other facilities in 40 states. Worldwide, ABB employs 160,000 people in more than 100 countries and reported revenues of \$23 billion in 2000.*