

Responsible relationships

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ABB recognizes that business is part of society. How we interact with our stakeholders, both within and outside the company, will help determine our success as a business and determines how welcome we are in the communities where we seek to carry out projects. Our social license to operate – our ability to build sustainable business throughout the value chain – depends on our people acting with integrity and respect towards all our stakeholders. Acting responsibly towards our many stakeholders strengthens our bottom line, builds value and partnerships, and enhances reputation.

Integrity

A prerequisite for doing business

ABB's technology makes a major contribution to businesses and communities around the world. However, it is not only what we do, but how we do it that determines our reputation with stakeholders and ensures our continued success.

ABB sets high standards of integrity, which are expected of every employee in every country where we do business. We use a systematic approach, supported by tools and processes, to embed integrity in the organization and apply a zero tolerance policy for violations.

Standards of business conduct

The ABB Code of Conduct is the integrity framework that describes the behavior expected of employees and stakeholders. The Code of Conduct contains practical instructions to help employees in their day-to-day work and has been translated into 45 languages to ensure it is accessible to everyone at ABB.

The Code of Conduct is underpinned by a strong set of internal standards and policies that provide specific guidelines for implementing the Code in daily activities. These directives cover issues such as bribery and corruption; gifts, entertainment and expenses; appointment of ABB representatives; political and charitable contributions; agreements with sub-contractors and consortium partners; and mergers and acquisitions due diligence.

A series of anti-trust guidance notes complement these directives. These guidance notes, along with the key elements of our integrity standards and policies, are publicly available on our [website](#).

Educating and empowering our employees

All current and new employees are required to take Code of Conduct face-to-face and e-learning training. Basic and advanced training sessions cover the ABB integrity directives, including anti-bribery and anti-trust issues. A range of case studies illustrate both desirable and undesirable behaviors and highlight the various reporting channels available to employees. Code of Conduct training is also a key element of post-acquisition integration activities.

In January 2012, ABB embarked upon a new global, face-to-face integrity training program for all employees, covering a variety of risk areas such as anti-bribery and anti-trust. By the end of April 2013, a total of 147,000 employees had completed the training, representing approximately 99 percent of all ABB employees worldwide.

99% of employees worldwide received face-to-face integrity training

We also delivered a new face-to-face anti-trust training program for targeted employees from June 2012 until the end of September 2013. More than 25,000 employees were trained on competitive intelligence gathering versus commercially sensitive information exchanges, and nearly 22,000 employees received training related to trade associations.

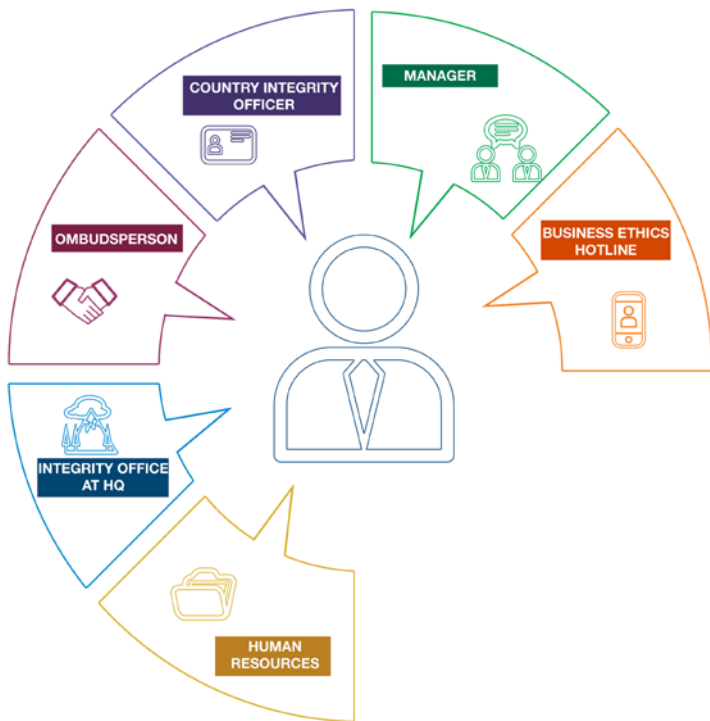
Prevention and detection

ABB also maintains additional programs to prevent non-compliant behavior and to detect integrity concerns. Anti-bribery reviews of business units and countries are conducted throughout the year by ABB's internal audit department. In these reviews, the auditors review business processes, accounts and balances, and test transactions to assess the robustness of controls and identify possible violations of ABB's anti-bribery procedures.

We also conduct internal surveys to understand employee attitudes, awareness and perceptions of integrity at ABB, and develop enhanced integrity processes to address certain areas with greater compliance risk.



During July 2013 a global Integrity Culture and Risk Survey was conducted by the professional services firm KPMG AG. Over 24,000 employees responded to the survey, which measured integrity on eight dimensions: clarity, role modeling, enabling environment, support of employees for Integrity, transparency, openness to discuss dilemmas, comfort to report misconduct, and enforcement. The outcome confirmed that ABB has a strong ethical culture, that our communication and training efforts have resonated in the organization, and that the vast majority of employees would report if they saw a concern.



Multiple channels are available to all employees to report integrity concerns. A multilingual business ethics hotline, run by a third party, is available 24 hours a day, seven days a week. Calls are treated confidentially and people with information can choose to remain anonymous. A stakeholder hotline is available to our external business partners. More details on our reporting channels are available on our [website](#).

ABB also has an Ombuds program as an additional route for integrity reporting. This program was expanded during 2013, with over 75 trained Ombuds persons now available in just over 50 countries. The ABB Ombuds persons are respected, experienced business colleagues who agree to fulfil this additional role to their daily work, and who are available for discussion and to provide confidential guidance.

Overall, the ABB integrity program is supported by a team of approximately 500 employees, full-time and part-time, at headquarters and around the world.

ABB investigates all potential integrity concerns and cooperates fully with law enforcement agencies. There is a strict zero tolerance policy for violations of the law or the ABB Code of Conduct, which is enforced through systematic disciplinary actions.

External recognition

In March 2013 ABB was named by the Ethisphere Institute, a leading international organization dedicated to best practices in business ethics, to its 2013 list of the world's most ethical companies. ABB was recognized because of its demonstrated leadership in ethical business practices according to the Ethisphere Institute. Ethisphere also awarded ABB with two seals: Compliance Leader Verification and Anti-Corruption Program Verification.

Ethisphere recognizes organizations that have made the decision to proactively invest in compliance, thereby sending a clear signal to key stakeholders that their company takes its commitment to compliance and ethics seriously. Ethisphere's Anti-Corruption Program Verification offers objective, independent verification of a company's anti-corruption program and initiatives, including a comprehensive review of policies, procedures, training, communication, controls, and enforcement. Anti-Corruption Program Verification can only be earned by companies that are able to prove they have designed, implemented, and enforced a robust, best-in-class anti-corruption program that is capable of reasonably detecting and preventing bribery and corruption.



Our people

Key to business success

ABB has systematic approaches in place to recruit, engage and develop people who can help us to meet our business needs and customer requirements. Our aim – the key to our business success – is to have the right people in the right places at the right time.

With 150,000 employees worldwide and several thousand on the move at any one time, we need to be sure that we have the appropriate processes to support our employees' performance, behaviors and development, and give the company a competitive advantage in different countries and cultures.

Our approach is to ensure we plan and resource appropriately to meet divisional, global and local business needs; to improve skills and competence in key operational areas; to focus on attracting and retaining dedicated and skilled employees; and to integrate newly acquired companies successfully into the ABB fold. We are also working hard to broaden diversity, recognizing this contributes to our business success.

Multicultural benefits

ABB is a truly international company with a strong multicultural environment. We are headquartered in Switzerland and have strong historical ties there and in Sweden, but this is a company not tied to a particular country or national identity. Having a multicultural workforce improves our ability to respond to customer demands in different parts of the world, and strengthens the spirit of collaboration and innovation across the Group.

Of the 750 people based at corporate headquarters in Zurich, there are people from 54 countries. It's a diversity – and strength – that is mirrored in many of the 100-plus countries where ABB has business operations.

In 2013, we received online recruitment applications from 318,000 people in 69 countries – a sure sign of our global reach and ability to attract people who want the opportunity to develop and contribute to business success through their core skills.

Systematic training and development

The level of support, career development and opportunities that our employees enjoy is among the best in the business world. We strive to make sure that they receive the right support to realize their full potential, relying on a mix of structured talent management and learning offerings.

Our programs include:

- A Talent Management process which has been improved and embedded in all regions. Around 89,000 formal personal performance and development assessments were conducted in 76 countries in 2013. 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 – one of the most highly rated globally - in the Swiss city of Lausanne. The Middle Manager and First Line Manager global programs covered a further 380 middle managers and nearly 1,500 first line managers in 2013.
- The three-day Leadership Challenge program, offered to all employees and delivered in 14 languages focuses on taking personal leadership, irrespective of the position or role in the company. Another 5,800 employees completed the course in 2013, bringing the overall total to about 60,000 since it started in 2004.

Diversity and inclusiveness

A diverse and talented workforce, recruited globally, provides a broader range of qualities and skills that support innovation and help us to meet some of our biggest challenges. Our diversity program, based on a number of local and corporate-level initiatives, is currently focused mainly on gender.

- As part of our efforts to support women at ABB and encourage more women to become engineers, we have partnered with [The Women's Forum](#) since 2012. It brings together leaders from business and government all over the world to share new perspectives on key commercial, political and social questions. ABB's participation raises our profile among female leaders and enables us to contribute to and learn from best practices in other leading businesses.
- We launched the [women's mentoring program](#) in the United States in 2013 to support female employees in becoming more effective leaders by accelerating their learning and development.
- In Sweden, ABB seeks to encourage and [attract female engineers from universities](#) as part of attempts to create a more diverse workforce. Several have taken internships or been hired.
- In India, there are a number of ongoing programs to strengthen the presence of women in executive, functional and factory roles. These include workshops for line managers to strengthen understanding of the business value of diversity and inclusiveness, as well as efforts to increase the number of women in the interview pipeline, and to raise the number of women on the shop floor.



We also work on other issues of diversity and inclusiveness. In Australia, for example, ABB joined a three-year Reconciliation Action Plan in 2013 to create social, employment and business opportunities for indigenous Australians.

In the United Arab Emirates, where young Emiratis traditionally join the public sector, we have been encouraging them to join ABB by publicizing our training and the flexible, long-term career opportunities available. We have been able to engage more young Emiratis – people who are well positioned to support the business.

In other countries, diversity efforts also involve integrating people with disabilities into the workforce. A team has been set up at ABB in Italy to improve the employment opportunities for people with disabilities. The emphasis in South Africa is different: all employees receive training to promote greater understanding of disabilities and ways of integrating disabled people into the workforce.

Mobility supports business success

Employee mobility creates value for ABB, our customers and our people. We encourage interested employees with the right level of experience and knowledge to transfer to projects or locations where they can both contribute to business development and gain further experience.

Nearly 960 people were on long-term international assignments in 2013 – a slight increase on 2012. The most common assignment duration is between one and two years. 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. India, Brazil and China are now among the top ten exporting countries for talent within ABB.

Attracting young people

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

ABB already has a good reputation in several parts of Europe where engineering students again voted ABB an employer of choice in 2013. Our strong reputation as a technology innovator and a responsible company is attractive but competition for top talent is fierce.

In employer branding research we found that ABB is not as well known among electrical engineering students in some countries as we would like. Internal initiatives have been started, backed by key performance indicators, to achieve the state

of recognition that we would like in the coming years. We have also redesigned the ABB careers portal based on the results of the research, with a better focus on differentiation factors that ABB offers and expects from employees.

One of the ways in which we attract talented graduates is through our two-year global trainee scheme which involves different assignments around the world and across multiple disciplines. A total of 24 global trainees – one third of them women – joined ABB in 2013. They come from 16 countries and have taken on a variety of roles in areas such as information services, finance, human resources and sustainability.

318,000 online applications
to join ABB in 2013

Another way in which 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 holders 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 380 young employees and new recruits went through the global program in 2013.

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 166 mentors and mentees participated in the program in 2013. Mentees benefit from advice and guidance; mentors also learn and appreciate the opportunity to pass on their knowledge and experience.

English is the common language in ABB and, as part of other efforts to improve language skills, ABB offers a Standard English training course free of charge to employees and their family members. About 39,000 people 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 pursue further business opportunities, we know our employees are our greatest asset.

Stakeholder relations

Engaging to create business value

Engagement with stakeholders has a clear business value. We learn more about stakeholders' requirements, what we need to prioritize and how we can improve our business and sustainability performance.

In the past year we have seen further evidence that a wide range of stakeholders want to know more about our sustainability performance and are basing their decisions and – in some cases, public ratings of ABB – on the evidence we provide. Customers, for example, increasingly require us to provide information on a raft of issues, ranging from our health and safety record and the resource efficiency of our products through to our sourcing policies and our processes for ensuring compliance with legal frameworks around materials we use in our products.

Other stakeholders, such as some investors, export credit agencies and ratings agencies increasingly ask for evidence that ABB is managing potential social and environmental risks, and factor these issues into their decision-making models. Representatives of civil society and the media are also watching ABB closely, monitoring whether we meet the high standards we have set ourselves.

In 2013, we also carried out two surveys with stakeholders which will have an important bearing on our future and success. Extensive consultations were carried out with both internal and external stakeholders as part of the process of developing new [ABB Group Sustainability Objectives](#), applicable to the entire company, for the years to come. A second survey, which focused on customers and external specialists, increased our understanding of the [materiality](#) of particular sustainability issues to ABB's business ambitions.

Working with customers and investors

Sustainability experts were integrated into business meetings on numerous occasions in 2013 to support potential business opportunities and answer customer inquiries.

The type of engagement varies considerably: Our energy efficiency experts, for example, met customers at the main fairs and key customer events; health and safety specialists briefed companies in the oil and gas industry on the ways ABB is seeking to improve performance; we briefed government officials on resource efficiency on numerous occasions, including during trade visits; and other specialists provided support on potential business project risks through social and environmental due diligence.

ABB has seen a gradual increase in investor interest in environmental, social and governance (ESG) issues, and how we manage our risks. There were regular sessions during 2013 with investors – mainly socially responsible investors but also some mainstream funds – on a series of issues related to ESG performance.

20 awards for good corporate citizenship worldwide

Measuring outcomes

Gauging customers' levels of satisfaction with our performance is central to our overall success. For the fourth consecutive year, ABB employed a customer satisfaction initiative called the "net promoter score" program to measure customer feedback to help us improve our business performance. The results for 2013 show that customers are increasingly satisfied working with us; the number saying they would recommend ABB to a colleague rose to 35 percent in 2013 compared to 29 percent in 2012.

The net promoter scorecard is part of ABB's overall commitment to building a culture of quality and continuous improvement that drives growth through customer loyalty.

ABB also compiles, validates, tracks and analyzes all customer complaints in a single, global system that helps to resolve problems quickly and efficiently. This system – the Customer Complaints Resolution Process – also provides valuable pointers for improvement.

Engagement

The most frequent discussions in 2013 involved customers and suppliers, as well as ABB employees. There were also meetings at a national and corporate level with government representatives, unions, NGOs, media representatives and academics.

Stakeholder engagement on sustainability-related issues takes many forms, and the subject matter is wide:

- In many countries, our engagement with suppliers focuses on improving their performance. This can take the form of supplier assessments, as in Brazil, China, Czech Republic, India and Mexico in 2013 or discussions with suppliers about environmental, health, safety and labor requirements.



- The issue of students leaving college without the skills needed by industrial companies was discussed at an ABB round table in South Africa and resulted in concrete proposals for training schemes.

- Meetings with representatives of different European unions resulted in renewed commitments to support efforts to improve health and safety performance at ABB. A series of meetings with unions in France reviewed contractual issues such as conditions for working abroad, health costs and working hours.
- ABB engages with a number of non-governmental organizations in several countries on individual issues or in partnerships such as rural electrification projects, or by speaking at NGO-organized meetings
- ABB in Finland uses its convening power in Vaasa where we are a major employer to raise core issues. In 2013, ABB organized a top management seminar, attended by 60 CEOs, to review issues related to competitiveness, leadership and the work-life balance. In addition, company managers and key figures from the community meet on an annual basis to discuss the use of land, infrastructure, the employment situation and future perspectives.



ABB is also active in the public policy arena in different regions. We continue to engage in the European Union, for example, for decisive and common political action on energy policy, and other areas of importance to ABB's technology interests, including smart transmission and distribution infrastructure, clean transport and energy efficient industrial processes. These issues are also central to discussions in other countries. In the United States, ABB seeks to help regulators and policy makers understand the benefits of energy efficient technologies, while in China ABB has been supporting government activities on energy conservation and environmental protection in line with the country's 12th Five-Year Plan.

The academic world is another area of strong focus for ABB. There is a strong interaction with universities and academic institutions on issues ranging from collaborative research projects to teaching students in Sweden and Switzerland about the corporate responsibility to respect human rights.

ABB also gains value by being actively involved in a number of multi-stakeholder organizations, participating in key meetings of the UN Global Compact and the World Business Council for Sustainable Development.

Awards

In recognition of our social, environmental and community engagement activities, ABB won 20 awards worldwide in 2013. These awards build brand value in the countries where they are awarded, and strengthen employee commitment both to the causes that ABB supports, and to the company as a whole.

The awards include recognition by the Ethisphere Institute, a leading international organization dedicated to best practices in business ethics, which included ABB in its 2013 list of the world's most ethical companies.

ABB's environmental performance was recognized in China where we received three awards, including one from the China Entrepreneur Club which named ABB as one of the top three green companies. In Vietnam, ABB received a National Environment Award for our waste and water management at our Bac Ninh site.

Despite a very difficult year from a safety perspective, our efforts to improve performance in this area led to awards in the United States and the United Arab Emirates. And our contributions to safety in the oil and gas industry in Argentina and to the mining industry in Chile were also recognized.

ABB's work with disadvantaged people was appreciated in several countries. In Germany, for example, ABB received a special award for our commitment to and engagement in the Special Olympics organized each year for people with mental disabilities. In Oman, ABB was recognized for the second year running as one of the top corporate social responsibility practitioners in the Middle East and North Africa.

Working in the community

Supporting education and health

ABB has two main focus areas when carrying out community work: supporting education and health. We have about 300 projects worldwide which seek both to help people and to strengthen ABB's place in the community.

Our approach is both global and local. We enter into strategic corporate partnerships with targeted impacts, and also decide at a country level which projects to support based on their likely effectiveness and potential benefits to ABB.

300 community projects
are supported worldwide by ABB

The schemes are highly varied, ranging from improving the infrastructure of schools, developing students' technical skills and helping disabled people enjoy sports activities, to partnering with international and non-governmental organizations, and supporting disaster relief efforts.

There is a long tradition of community involvement and volunteering at ABB. In 2013, employees and companies donated approximately \$8.5 million and provided nearly 5,000 man-days in volunteering time.

Contributing to business success

Our community work is part of ABB's business success. We know we can make a difference, and it is good for our business and reputation to be welcome in the areas where we operate. We also know that such initiatives improve our ability to attract and retain talented employees.

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, including our employees, suppliers and customers, as well as the communities around our facilities.

ABB developed and introduced its own assessment tool in 2013 to help measure the impacts and overall value of our investments in community schemes. The results will help us to evaluate the return on investment and achievement of project objectives, and to streamline our efforts towards the projects which provide most benefit for the targeted stakeholders.

Education



ABB works with students, schools and colleges in a variety of ways. One of the most innovative is in Brazil where young children from impoverished neighborhoods come to ABB factories for additional schooling and preparation for a working life. About 400 of them have taken part so far with impressive results: 75 percent go on to get jobs – some of them at ABB – and about one third of the children qualify to study at university.

Here are some of our projects:

- In Finland and the United States, ABB provides both funding and equipment for colleges and universities in areas where we have operations to support those institutions and attract successful graduates.
- A vocational summer school at ABB in Saudi Arabia which introduces students to the world of work and ABB's standards.
- A long-term scheme near five ABB manufacturing sites in India to re-build and furnish government schools, and provide a mid-day meal scheme for children. More than 4,000 children benefit.
- Volunteers from ABB Sweden take part in a program to teach mathematics to young people out of school hours.
- In Colombia, ABB provides equipment and helps to re-build bathrooms at a school in Bogota for children who have been displaced by violence.

ABB also has a focus on helping disadvantaged students. ABB's Group-level foundation to support talented but disadvantaged engineering students extended its partnership into a ninth country, Indonesia, in 2013, and is set to expand further. Several of the student scholars in the scheme are now pursuing careers at ABB.

Health

Many of the projects that ABB supports involve helping the less abled. Our projects include:

- ABB in Germany received an award in 2013 in recognition of our long standing support for summer and winter Special Olympics for people with mental disabilities. Similar games are supported in Italy and the United Kingdom.
- In the Czech Republic, employees are given a day off work every year to work on a range of programs, mainly focused on sports such as skiing, for people with mental and physical disabilities.
- ABB employees in many parts of the world support health causes such as cancer trusts with a variety of activities – from fun runs and sponsored golf tournaments in Canada and the US, to sponsored football matches and mountain hikes in the United Kingdom.
- In Egypt, ABB helped to build a water pipe network to a village, ensuring about 500 under-privileged people receive a regular water supply.

Relief efforts

Partly as a result of our decentralized structure, ABB is able to respond quickly to humanitarian or natural disasters. Most of our efforts in 2013 were concentrated on the Philippines after the devastation caused by Typhoon Haiyan. ABB companies and employees raised about \$500,000 in an operation coordinated by ABB in Southeast Asia.

ABB also responded to a number of other disasters in 2013. ABB joined other organizations in providing support and funds to people whose homes were damaged by floods in Germany and the Czech Republic; contributions were also made to support the victims of natural disasters in Mexico and Vietnam.

At Group level, ABB takes a strategic approach to humanitarian aid through the ongoing partnership with the International Committee of the Red Cross (ICRC). Our annual contribution to the ICRC – ABB Group's largest and longest-running single corporate sponsorship agreement – is used to support access to clean water in areas of humanitarian need in Iraq and the Democratic Republic of Congo.

Access to electricity

We believe we can make a significant and lasting impact on the social and economic development of communities through our rural electrification program, known as [Access to Electricity](#).

There are three main projects under way, highlighting the value of public-private partnerships. Two of these are in India: a distributed solar solution for desert hamlets in Rajasthan and a solar-power battery charging station in a coastal region of West Bengal. The third project is a diesel-powered mini-grid set up in a remote area of southern Tanzania.

As part of our efforts in Rajasthan, an impact assessment was carried out in 2012 which resulted in replacement batteries being provided where appropriate, and a clearer understanding of which sections of the community were benefiting most from the electricity. This will help to inform the next steps in the project.

All these projects are delivering social progress, with students benefiting from schools staying open after dark, health clinics being able to preserve medication in fridges and remaining open longer, and the positive health impacts of using electricity instead of biomass or kerosene for light in the home. The provision of electricity has also provided a fillip to local employment with some new businesses being started, and shops remaining open for longer periods.

Human rights

Work in progress

Stakeholder expectations of a company's responsibility to respect human rights have increased rapidly in recent years, with the UN Guiding Principles on Business and Human Rights, as well as other standards, calling on business to improve performance.

ABB has been working hard to raise awareness among managers of potential human rights risks, embed human rights due diligence in business decision-making processes, and build capacity within the company. It is hard work because of the size and complexity of ABB and the challenges in ensuring coherence of approach in many activities around the world.

We have long understood the materiality of human rights, knowing that violations can have human, legal, financial and reputational consequences – all of which are bad for business and inconsistent with company standards.

ABB carried out a first analysis in the mid-2000s on whether human rights impacts had been taken into account in internal processes. One of the initial steps afterwards was the adoption of the Group Human Rights policy in 2007. We also saw the need to introduce or strengthen human rights due diligence in three key areas – the divisional risk review process which all major project tenders have to go through, supply chain procedures, and the mergers and acquisitions process.

After the UN Guiding Principles on Business and Human Rights were endorsed in 2011, we carried out a further review of the most immediate challenges, focusing mainly on the need to strengthen due diligence. In addition, ABB knows that stakeholders' expectations of business behavior and issues such as access to remedy have been developing rapidly in recent years and can have an impact on a company's social license to operate.

Training

The Guiding Principles – and what is expected of companies – are a cornerstone of our training programs. A global awareness-raising program, designed for senior managers in our main manufacturing and exporting countries started in 2010 and continued in 2013 in several parts of East Asia and the Middle East. Special training was also provided to newly-appointed country managers. More than 400 managers have so far been trained worldwide in face-to-face sessions.



The training focuses on understanding how ABB can potentially impact human rights, positively and negatively, and highlights issues through company case studies from different countries.

A program of internal capacity building, designed to increase the number of people who are able to advise managers at a local level on business and human rights issues, was initially launched in 2012 and will continue in 2014 in different parts of the world. The training involves study of the legal and normative framework relating to the corporate responsibility to respect human rights, as well as how to identify and avoid risks, based on examples from the business.

Due diligence

ABB has been working on some of the substantive issues contained in the UN Guiding Principles for several years. Internal human rights experts have increasingly been carrying out due diligence on projects as part of the business process. Depending on the nature of potential impacts, some projects are selected for in-depth due diligence – either in the form of desktop research or through visits to sites and stakeholder engagement.

Through due diligence we seek to identify and avoid negative impacts. We also receive regular communications from stakeholders asking about our due diligence and decision-making processes: customers who require us, as a supplier, to detail our processes including those with our own suppliers; export credit agencies, which want to be satisfied ABB has researched potential social and environmental consequences of major infrastructure projects as a condition for financing them; and some investors and ratings agencies are also increasingly asking about the processes behind ABB's social and human rights performance, as well as details of our activities in sensitive countries.

In 2013, due diligence activities covered a wide variety of areas, including projects, the resolution of individual issues, and the improvement of processes.

- Research was carried out for a number of business units on issues such as potential product sales to mining and hydropower projects.
- The ABB Supplier Code of Conduct, which includes human and labor rights requirements, was strengthened, and the Supplier Sustainability Development Program which focuses on environmental and social issues, continues to be extended in different countries.
- Supplier audits revealed two instances of our suppliers retaining identity documents of migrant workers. ABB intervened to ensure employees could get back their documents or, in future, access them when wanted.
- Labor conditions were investigated at a company that was targeted for acquisition. Following its acquisition, two cases of child labor were found at a sub-contractor. Remedial action was taken immediately and no evidence of child labor was found during subsequent un-announced visits to the sub-contractor.
- An NGO expressed concern that ABB might be complicit in the violation of indigenous people's rights by supplying equipment for some dam projects. ABB has taken seriously the concerns expressed and is looking into the issues.

Access to remedy

ABB is continuing to look at a number of additional issues: the third pillar of the UN Guiding Principles – the issue of access to remedy for victims of human rights abuses; how to embed human rights more effectively in certain business-decision making processes and strengthen coherence, and how to strengthen adherence of security providers to human rights principles.

400+ managers trained on global awareness-raising program

As far as access to remedy is concerned, ABB has a Business Ethics Hotline, which was introduced in 2006 to provide all ABB employees and stakeholders worldwide with a means to report suspected violations of the ABB Code of Conduct or applicable laws. Contact details are published on ABB's internal and external website.

Engagement

While we are relatively modest about speaking of our progress, our experts have been involved in international efforts to promote the corporate responsibility to respect human rights. In 2013, our external activities included speaking at a number of international meetings, taking part in podium discussions, and working with university students in Switzerland and Sweden.

ABB works with and supports a number of organizations, including the UN Global Compact and some of its local networks, the Institute for Human Rights and Business, and the Global Business Initiative on Human Rights.