

HUMAN RIGHTS

Integrating human rights throughout our company

In 2017, ABB took additional steps to embed human rights into its business processes and activities



Everyone who works for us, either as a direct ABB employee or indirectly through our supply chain, is expected to behave with respect for the dignity and human rights of every individual. We fully acknowledge our Group's responsibility to respect the International Bill of Human Rights, and are committed to implementing the UN Guiding Principles on Business and Human Rights.

Since our first formal Human Rights Policy was published in 2007, we have worked to integrate these principles into our decision-making processes and included them in many of our due diligence activities. In addition, the ABB Supplier Code of Conduct, the ABB Policy Combating Trafficking in Persons, and our Human Rights Policy all make clear that ABB does not tolerate modern slavery or human trafficking. Furthermore, we are keenly focused on human rights issues of interest to our external stakeholders, such as conflict minerals, human trafficking and child labor, and we work to ensure our policies and principles are implemented and observed along our value chain.

In 2017, we fine-tuned ABB's measures and 2020 targets related to human rights. Going forward, our target is to conduct two training campaigns

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 exchange to improve human
 rights training**
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per year for employees whose roles expose them to human rights risks. This change was based on feedback from our internal network of human rights advisors and from colleagues attending human rights training sessions, who recommended more in-depth, practical training and advice tailored to specific jobs.

We performed well towards our 2020 target over the past year, providing training sessions in China, India, Singapore and the United Arab Emirates for country managing directors, supply chain specialists, communicators, security managers, trade compliance officers and others, reaching 170 individuals. We also continued to train our internal network of human rights advisors, focusing on supply chain risks, lessons from the ABB Supplier Sustainability Development Program, implementing the UN Guiding Principles, and emerging human rights issues.



170

employees trained

In 2017, a key human rights action was taken in relation to the UK Modern Slavery Act, a landmark piece of legislation intended to tackle slavery and trafficking in the operations and supply chains of large businesses. In March, ABB's Board of Directors published a statement acknowledging that successful and effective action must start with top-level leadership and guidance and must also engage employees across the organization.

We also reviewed our Sensitive Countries Protocol, providing our businesses with updated guidance on how to control and limit ABB's exposure to risk when doing business in

sensitive countries and regions. The protocol lists the regions and countries where ABB does not engage in business, as well as the regions and countries where business is subject to extensive due diligence and case-by-case approval by senior management. This assures our exposure is well managed and that our reputational risk is minimized.

There are many different ways we are working to integrate human rights throughout our company.

For example, in 2017 a simple transcription error prior to due diligence on a small project prevented detection of certain human rights risks. Although we later detected and resolved this oversight, the incident prompted us to look again at how we can more efficiently and effectively embed human rights considerations into the project risk review processes. During 2018, we will examine how these processes are implemented and work to develop improvements as necessary.

