

INTEGRITY

Doing business the right way

How ABB executes its strategy is just as important as achieving its targets

To help ensure we reliably create long-term sustainable value for all ABB stakeholders, we have established five value pairs that serve as the backbone of our business.

The “Safety & Integrity” value pair is the bedrock of our organization (the others being Customer Focus & Quality, Innovation & Speed, Ownership & Performance and Collaboration & Trust). It affirms we do not conduct business in a way that puts people at risk or involves unethical practices; everyone who works for or with ABB must meet our integrity standards. These standards, which are made clear in our ABB Code of Conduct and our Supplier Code of Conduct, are underpinned by a robust set of internal standards and policies.

In 2017, we finished the training cycle for our new Global Anti-Bribery Essentials training course. Launched during Q3 2016, the course achieved a completion rate of 96.5 percent. Integrity training has always been a key metric for us, as we consider raising awareness of integrity risks to be a vital preventative measure. In addition to our efforts to prevent ethical lapses, our detection and resolution mechanisms remain key pillars of our integrity program.

In the wake of an embezzlement scheme that was exposed in our South Korean subsidiary in February 2017, we identified the relevant control issues and took swift action to remediate the material weakness in our internal controls.

Also, the entire leadership team in South Korea was replaced and appropriate Group-level actions were taken. Finally, we have been aggressively pursuing criminal charges against the individual responsible for the theft and have developed a detailed plan to recover as much of the approximately \$100 million in stolen funds as we can.

ABB’s integrity program is recognized externally for its continued excellence. For the fifth consecutive year, in 2017 we retained our Ethisphere Compliance Leader Verification and Anti-Corruption Program Certification seals. And for the third consecutive year, ABB in Brazil was recognized as a Pró-Ética (Pro-Ethics) company by Instituto Ethos and the Brazilian government, an initiative recognized by the OECD.

The “Safety & Integrity” value pair is the bedrock of our organization. It affirms we do not accept business that puts people at risk or involves unethical practices.

Case study
**Investments in integrity
 are paying dividends**
[Click here to reveal](#)



Multiple channels are available to all ABB employees to report integrity concerns, including web-based reporting and a business ethics hotline run by a third party, available at all hours in over 180 languages. Every reported concern is treated confidentially. An ethics hotline for our stakeholders is also available.

All reports received are reviewed and appropriately investigated; exposures are mitigated, and disciplinary actions are taken as applicable and appropriate, including termination of employment. ABB enforces a strict zero-tolerance policy for violations of the law or the ABB Code of Conduct.

ABB maintains an exemplary integrity program that is integrated into our business and strongly supported by senior management and the Board of Directors. As evidenced by ABB's "Don't Look the Other Way" initiative, a consistent tone has been set from the top of the organization. There is a clear dedication to integrity across the business and strong interest in further efforts to develop the integrity program. We strive to maintain an environment where employees comply with both the letter and the spirit of our integrity rules. As befits a pioneering technology leader, ABB is committed to deploying data analytics and other advanced tools to help us become smarter about how and where we focus our integrity initiatives. Such measures will help us improve ABB's integrity program on an ongoing basis as our business grows and changes.

In 2017, the company did not face any significant fines or sanctions for non-compliance with laws and regulations. For further information, please refer to the Commitments and Contingencies note in the Notes to the Consolidated Financial Statements contained in the ABB Group Annual Report.

