

A photograph of three ABB employees in a factory setting, overlaid with a red tint. On the left, a woman with glasses and a dark jacket smiles. In the center, a man in a dark shirt smiles. On the right, a man in a light shirt and glasses holds a digital multimeter. In the background, industrial machinery with large circular components is visible.

— 05 Responsible relationships

- 34 Integrity
- 36 Human rights
- 38 Our people
- 40 Community engagement

INTEGRITY

Doing business the right way

ABB has zero-tolerance for violations of the law or the ABB Code of Conduct

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. It affirms that 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 policies and instructions.

In 2018, we started “Integrity Starts with You,” a new training course on the ABB Code of Conduct. Launched during Q1 2018, the course achieved a completion rate of 98 percent. In addition to our integrity e-learning curriculum, during Q2 2018 we provided our employees with a training course on global data protection; at the end of 2018 this course had achieved a completion rate of 96 percent. Both courses were rolled out to nearly 98,000 employees, and we are pleased by the high completion rates that were achieved. Due to long-term absences,

Case study
**Anti-Bribery
Management System**

[Read more](#)



organizational changes and timing issues, among other reasons, it is not possible to achieve a completion rate of 100 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 fundamental pillars of our integrity program.

ABB's commitment to high integrity standards is demonstrated by its comprehensive employee training and impactful communications

Jermyn Brooks – Transparency International
ABB Stakeholder Panel

ABB's integrity program continues to be recognized externally for its excellence. In 2018, we retained our Ethisphere Compliance Leader Verification seal of recognition for the sixth consecutive year, and we received an Ethisphere Anti-Bribery Management Systems Verification seal of recognition.

Multiple channels are available to all ABB employees to report integrity concerns, including a web-based reporting system and a business ethics telephone 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.

We work to create an environment free of harassment. Harassment – be it face-to-face, written, electronic or verbal – is not tolerated. We seek to make all employees feel welcome and comfortable at ABB; to achieve this, we are constantly working to ensure that our employees, their coworkers and anyone who has business dealings with ABB are not harassed. There appears to have been an increase in willingness to report harassment in 2018, likely due in part to increased public awareness of the topic.

There is a clear dedication to integrity across the business and strong interest in further efforts to develop the integrity program, which is fully supported by senior management and the Board of Directors. 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 2018, 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.



HUMAN RIGHTS

Embedding human rights throughout our business

ABB's actions are guided by the knowledge that human rights impact every link in the value chain



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 of the individual and for the importance of each individual's human rights. ABB fully acknowledges its responsibility to abide by the International Bill of Human Rights, and is committed to implementing the UN Guiding Principles on Business and Human Rights. In addition, the ABB Supplier Code of Conduct, the ABB Policy Combating Trafficking in Persons, and our Human Rights Policy emphasize that ABB does not tolerate modern slavery or human trafficking.

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, including the risk review process for screening major projects.

Major human rights issues of interest to our external stakeholders include conflict minerals, human trafficking and child labor. We work to ensure our policies and principles regarding these and other topics are implemented and observed along our value chain. In particular, this means engaging with our employees and our supply chain partners to raise awareness and improve performance where needed.

Case study

Combating modern slavery

[Read more](#)



Our 2020 target for human rights is to conduct two training campaigns per year for employees whose roles expose them to human rights risks. In 2018, we made good progress toward this target, providing face-to-face human rights training sessions for 60 members of ABB's HSE/SA network. These colleagues are managers and specialists who support and guide ABB businesses in the areas of health, safety, environment, security and corporate responsibility.

We also provided specialist training to the regional coordinators of ABB's Supplier Sustainability Development Program (SSDP), enabling them to better support their local SSDP colleagues and suppliers in program implementation, risk analysis and problem solving. Additionally, we started work to incorporate human rights topics into the competence development programs for ABB's marketing and sales managers.

In 2018, ABB continued the capacity-building program for its human rights champions network. To complement the training materials already available, we created a detailed development curriculum to guide their study of the legal and normative frameworks relating to the corporate responsibility to respect human rights, as well as how to identify, prioritize and avoid risks, based on examples from the business. The curriculum, which involves homework assignments, research and collaboration with other members of the learning cohort, will be rolled out in 2019.

In 2018, we also continued to map internal processes related to risk identification and risk assessment and to improve the way in which human rights and broader sustainability considerations are embedded in day-to-day

business analysis and decision-making processes. This work will be reinforced and expanded in 2019 by members of ABB's human rights champions network.

ABB continues to work to limit our exposure to conflict minerals and assist industry-wide efforts to source minerals from legitimate mines that do not contribute to human rights abuses in the Democratic Republic of Congo. In May 2018, we filed our fifth Conflict Minerals Report with the U.S. Securities and Exchange Commission. For the fourth year running, ABB was recognized for responsible sourcing of minerals by an independent benchmark study, "Mining the Disclosures 2018" from the Responsible Sourcing Network.

ABB recognizes that the increasing sophistication of automated systems will have far-reaching implications for work and employment. In addition to examining the potential impacts of digitalization on our own workforce, we sponsored research by the Economist Intelligence Unit to assess how well-prepared 25 countries are for the challenges and opportunities of intelligent automation. The findings highlighted the need for a systematic policy response by government, as well as the importance of engagement and collaboration between different sectors of society.

As part of our collaborative efforts, ABB signed a Pledge to America's Workers, further committing the company to enhancing career opportunities for each of its 24,000 workers in the United States through an initiative that complements ABB's employee development and leadership efforts worldwide.

OUR PEOPLE

Investing in the people of ABB

ABB highly values its employees and is committed to supporting them

People are our most important strategic asset, so ABB continually invests in their personal and professional development. By providing them with the best available tools, programs and opportunities, we are empowering them to build rewarding careers, enjoy their personal lives and improve their overall health, resilience and sense of well-being.



30 percent

increase targeted for women in senior management

Our 2020 targets for people and community are to increase the number of women in senior management positions by 30 percent from 2017 and to increase the proportion of employees covered by ABB's well-being program to 70 percent. Gender diversity and the health, well-being and resilience of our workforce are strategic priorities for ABB, with significant implications for our performance.

We made progress toward these targets over the past year. At present, 19 percent of the middle and senior managers at ABB are women, up from 18 percent in 2017, as are 10.5 percent of our senior leadership, up from 9.8 percent in 2017. We continued our focused efforts to raise these numbers by 2020. Additionally, by the end of 2018 more than 67 percent of our employees were covered by ABB's well-being program, up from 58 percent in 2017. We achieved these results thanks to a combination of ongoing and newly introduced initiatives.

People

To drive equitable gender representation in our workforce, we rely on the gender diversity framework that ABB implemented and reported on in 2017. Actions dictated by this framework include shortlisting women during recruitment drives, including a focus on female leaders at the ABB Executive Committee monthly meeting, creating opportunities for women to be mentored by senior leaders, and implementing flexible working practices. Even though 11 women were appointed to senior leadership positions in 2018, this result did not move us significantly closer to achieving our 2020 gender representation target; we are carefully reviewing this matter and plan to take corrective actions based upon our findings.

In addition to these gender diversity initiatives, in 2018 we standardized our approach to the Capability and Workforce Planning process across all our businesses. Launched in 2016, this process enables us to forecast our future talent needs, identify gaps in our people's skills and competencies, and take action as necessary. We also used elements of this process to drive people development initiatives across ABB.

Case study
Global mentoring and development program

[Read more](#)



In addition, in 2018 we finalized the rollout of a global learning management system for all our employees. By the end of 2018, this system had 126,000 registered users, who completed 167,000 e-training sessions.

Over the past year, we extended the scope of our “Come to the Edge” leadership program. Launched in 2017, this program was designed to drive cultural change at ABB by engaging the top 200 leaders at our company. We rolled out this program to 2,000 more senior managers in 2018, expanding its impact on our organization. While we are actively working to shape ABB’s culture, an external force is also driving change within our organization: digitalization. In response, in 2018 our Human Resources function drafted a white paper that identifies the key competencies our people will need to adapt and the developmental, organizational and cultural actions ABB must take to support them.

 **167,000**
e-training sessions completed
by 126,000 registered users

Health and well-being

Our success in raising employee participation in ABB’s well-being program in 2018 was achieved thanks to the inclusion of health topics on the agendas of country-level HSE/SA boards and to management’s commitment to allocating resources in support of local well-being programs. In addition, the presence of health-related indicators on the HSE/SA dashboard enabled management to monitor their progress toward achieving their targets. By providing country-level organizations with more readily accessible data, they gained greater insight

into the distribution and determinants of the health conditions of their employees. We also strongly encouraged them to invest in building a culture of health by quantifying the value added by health measures for employees and for their productivity.


 **142**
instructors conducted
resilience training
in 26 languages

ABB asks its entities around the world to provide employees with a “no smoking” policy, a smoking cessation program, and any three of the following programs: healthy nutrition, physical fitness, mental health, vaccination, voluntary medical checks, promotion of good ergonomics, and addiction prevention. In 2018, we started monitoring employees’ level of engagement with these well-being programs; our objective is to learn more about our employees’ preferences, and to increase their engagement by tailoring our programs and implementation strategies to meet their changing needs over time.

Our resilience building program, which aims to bolster our people’s coping skills when they face challenges either at work or at home, is a major pillar of ABB’s health plan. This program helps our people to be more relaxed, healthier and productive by teaching them how to thrive under pressure. We believe this program is building a culture of flexible thinking within ABB, where people welcome new challenges with open arms. In 2018, we provided resilience training to more than 28,000 employees in 60 countries; 142 internal instructors conducted resilience training sessions in 26 languages.



Case study
**ABB Ergonomics
Program ready for 2019**

[Read more](#)

COMMUNITY ENGAGEMENT

A tradition of social engagement

As a part of society, ABB contributes to economic and social progress in many different ways

We take pride in ABB's long tradition of supporting the communities in which our people live and work. Our approach is to combine strategic corporate partnerships with country-level education and healthcare projects. Through our contributions, we support the achievement of SDG 3 (good health and well-being), SDG 4 (quality education) and SDG 11 (sustainable cities and communities), and are making a difference in people's lives and our corporate reputation, particularly in the communities where our business operates.

In 2018, ABB contributed to 620 community projects and charities worldwide. A total of 46 countries out of the 69 reporting on their social activities supported community projects. Employees and ABB's businesses donated approximately US\$12.1 million and provided about 4,500 person-days in volunteer work.

ABB works with students, schools and universities in a variety of ways, to improve research, especially in science, technology, engineering and mathematics, and to extend educational opportunities to more people. A global foundation set up to honor a former ABB Chairman and Chief Executive, Jürgen Dormann, helps talented but financially disadvantaged engineering students to pursue their studies. The foundation has grown steadily in recent years, and scholarships are now granted to students at 14 partner universities in 13 countries.

Our businesses also support local education initiatives that promote diversity and inclusion,

such as a scholarship for female students in Hungary and helping to provide access to education in Pakistan. A long-established program in India supports schools in communities around ABB facilities, while ABB in Brazil provides education and social assistance for underprivileged children. ABB is also involved in a range of projects related to health, such as a medical infrastructure support initiative that donated equipment to a hospital in Egypt that needed to upgrade its electrical distribution network.

ABB has both a strategic and on-the-ground approach to humanitarian assistance. We have a decade-long partnership with the International Committee of the Red Cross (ICRC) that was renewed for three years at the end of 2017, and we are proud to support ICRC's activities related to renewable energy and use of technology in the electrification value chain. In 2018, ABB in the US also launched the ABB Employee Relief Fund, which enables ABB and its employees to provide financial assistance to coworkers in need after a natural disaster.

During the past year, ABB conducted a systematic review of its global community engagement activities to support an internal review of its corporate responsibility approach. The results of this review will help us to restructure our community engagement efforts during 2019, to bring the activities closer to ABB's values and business strategy and to provide value for communities where we operate.



Case study
ABB continues to rebuild lives in the Philippines

[Read more](#)