

HUMAN RIGHTS

Respecting human rights is integral to our business

As a prerequisite for its license to operate, ABB is committed to respecting human rights along the value chain



We expect everybody who works for ABB, either directly as an employee or indirectly in our supply chain, to respect each individual's human rights.

ABB fully acknowledges its responsibility to respect human rights as expressed in the International Bill of Human Rights and is committed to implementing the United Nations Guiding Principles on Business and Human Rights (UNGP) throughout its operations. The [ABB Supplier Code of Conduct](#), the [ABB Policy Combating Trafficking in Persons](#) and the [ABB Human Rights policy and statement](#) make clear that there is no place in ABB or within the operations of our contractors and suppliers for modern slavery or human trafficking.

In maintaining our social license to operate, it is vital for us to engage with stakeholders on labor and human rights issues. ABB interacts with a wide variety of stakeholders to understand their expectations and improve our performance. Major human rights issues of interest to our external stakeholders include conflict minerals, child labor, human trafficking and modern slavery, and diversity and inclusion.

Case study
**Human Rights
Champions Network**

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Our goal is for human rights to be well understood and managed in all ABB operations along the value chain and integrated into ABB's daily business by the end of 2020. To achieve this goal, we have undertaken initiatives focused on capacity building, risk identification, performance improvement in our supplier base and limiting exposure to conflict minerals.

Capacity building underpins our ability to identify risks and improve performance. So we set a target to run at least two training campaigns per year, focused on employees whose roles specifically expose them to human rights risks. We met this target in 2019 with a pair of initiatives that focused on developing our human rights champions network and providing human rights awareness training for senior managers.

The human rights champions network aims to ensure we have qualified employees who can advise our businesses on how to identify, mitigate and avoid human rights risks. In 2019, a total of 83 champions representing all of ABB's global business lines completed a detailed curriculum. Additional champions will be selected and trained in 2020.

Our second training campaign of 2019 was designed to help ABB's senior managers more readily identify human rights risks at an early stage of the business process and consult with qualified advisors, when needed. During the year, the program trained the management teams of 13 out of 17 global business lines. It will train ABB's remaining management teams in early 2020.

In 2019, we also developed further training materials specific to functions with more exposure to human rights risks: procurement, sales & marketing and operations.

Human rights champions will be trained to deliver these sessions, and all business lines will be required to roll out this training in 2020.

This training complements our continuing work to map internal processes related to risk identification and risk assessment. At ABB, human rights specialists carry out due diligence to help us understand risks and avoid causing or contributing to negative human rights impacts. This due diligence – a cornerstone of the UNGPs – ranges from desktop research to site visits and the commissioning of third-party reports, as needed. In conducting this work, we emphasize internal risk assessment processes and research into potentially high risk projects or operations in high risk countries.

Human rights criteria are already included in the risk review process for screening major ABB projects, in prequalification and assessment work with ABB suppliers and in our process for examining potential ABB mergers and acquisitions. However, the training sessions for our human rights champions network gave us the opportunity to better understand how effectively human rights considerations are embedded in our business decisions. When ABB's new organizational structure is fully implemented in 2020, we will use the lessons learned to guide improvements that will make our processes even more robust and responsive to increasing reporting and legislative requirements.

Our new organizational structure will not affect the multiple reporting channels we already make available to employees and external stakeholders for reporting suspected violations of the [ABB Code of Conduct](#) or applicable laws. Channels include a web portal and telephone hotlines in multiple languages. All reports of suspected violations are reviewed and appropriately investigated.

In 2019, these mechanisms were used to report 19 substantiated cases of harassment and eight of discrimination, resulting in varying levels of corrective action, including five terminations of employment.

In ABB's 2018 Sustainability Report, we reported an instance of modern slavery at an electronics supplier in Malaysia. ABB revisited this facility twice during 2019 to ensure that the appropriate corrective actions had been completed and are being maintained.

The main initiative to promote respect for human rights in our supplier base is the [ABB Supplier Sustainability Development Program \(SSDP\)](#). The program focuses on improving the sustainability performance of high-risk suppliers in 17 countries. During 2019, an on-site SSDP assessment at a key supplier in Malaysia identified a case of modern slavery involving retention of migrant workers' passports. ABB has obtained the supplier's commitment to performing corrective actions and will monitor the supplier to ensure compliance.

We also continue our work to understand and limit ABB's exposure to conflict minerals. For the fifth consecutive year, ABB's work on responsible sourcing of minerals was recognized by an independent benchmark study from the Responsible Sourcing Network.