

INTEGRITY

Emphasizing responsibility and ethics in our business

ABB does not tolerate violations of the law or the ABB Code of Conduct

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 [ABB Supplier Code of Conduct](#), are backstopped by a robust set of internal policies and instructions.

These include the five value pairs that serve as the backbone of our business, established to help create long-term value for all ABB stakeholders. The “Safety & Integrity” value pair is the foundation of our organization. It affirms that ABB does not conduct business in a way that puts people at risk or involves unethical practices.

In 2019, we continued to implement “Integrity Starts with You,” a training course on the ABB Code of Conduct. Launched during Q1 2018, the course achieved a completion rate of nearly 98 percent. In addition to our integrity e-learning curriculum, during Q2 2018 we began training our employees on global data protection; at the end of 2019, this course had achieved a completion rate of nearly 96 percent. Our 2018/19 integrity training campaign covered employees with company email accounts only. Both courses were rolled out to just over 103,000 employees, and we are encouraged by their high completion rates.

Case study
**Anti-Bribery Management
System Verification™**

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Due to long-term absences, 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 believe raising awareness of integrity risks is a vital preventative measure. In addition to our efforts to prevent ethical lapses, our detection and resolution mechanisms continue to be central to our integrity program.

Integrity is the cornerstone and backbone of how ABB does business. This will continue to be the case and it will be even more essential as we transform and simplify our company’s operations and governance model for the future.

Maria Varsellona – General Counsel

ABB’s integrity program continues to be recognized externally for its excellence. In 2019, we retained our Ethisphere Compliance Leader Verification seal of recognition for the seventh consecutive year, as well as the Ethisphere Anti-Bribery Management Systems Verification seal of recognition.

In 2019, we created another way for our people to report integrity concerns, adding a new web portal to the many other reporting channels we make available. The new portal, [ABB EthicsPoint](#), is available in 10 of the major languages utilized

within ABB and was designed to provide an alternative for those who would rather use the internet than our business ethics telephone hotline, which is run by a third party and available at all hours in over 180 languages. All reported concerns are treated confidentially, 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](#).

In our requirements for a healthy workplace, harassment – be it face-to-face, written, electronic or verbal – is not tolerated. Our goal is 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 those who do business with ABB are not harassed.

In 2019, we eliminated our legacy matrix structure and provided our businesses with full ownership of their operations, subject to best practices in governance.

The simplification of ABB’s business model inspired us to consider how we can further develop and adapt our existing integrity program, which is fully supported by senior management and the Board of Directors. As befits a leading technology company, ABB is committed to deploying data analytics and other advanced tools to help us more precisely target our integrity initiatives. Such measures will help ABB’s integrity program to evolve in lockstep with our businesses as they grow and change.

In 2019, 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](#).

