

ABB Ltd – Modern Slavery and Human Trafficking Statement

The information in this Statement has been approved by the Board of directors of ABB Ltd and relates to the financial year ended December 31, 2016. The scope of markets included in this Statement covers our operations worldwide, including those of our direct and indirect subsidiaries.

About ABB

ABB is a pioneering technology leader in electrification products, robotics and motion, industrial automation and power grids, serving customers in utilities, industry and transport & infrastructure globally. ABB operates in more than 100 countries with about 135,000 employees. With manufacturing operations on six continents, ABB manufactures products in over 300 product lines and has approximately 70,000 direct material and project service suppliers. We view these suppliers as an extension of our global enterprise and integral to our long-term success.

Company approach and principles

We fully acknowledge our responsibility to respect human rights as set out in the International Bill of Human Rights and are committed to implementing the United Nations Guiding Principles on Business and Human Rights throughout our operations. Respect for the dignity of the individual and for the importance of each individual's human rights forms the basis of the behaviors we expect of every individual who works for us, either as a direct ABB employee or indirectly through our supply chain. We do not accept any form of discrimination, harassment or bullying within ABB or its supply chain. To this end we require all of our managers to implement processes designed to ensure equality of opportunity and inclusion for all ABB employees as well as for individuals employed in our supply chain. These include requiring suppliers to take measures to avoid any form of forced, bonded or compulsory labor (or any other kind of modern slavery or human trafficking). Recognizing the extremely complex nature of modern slavery, we continue to emphasize the importance of collaboration and learning from others. We engage with human rights NGOs and are long-standing members of the Global Business Initiative on Human Rights and the UN Global Compact.

Risk assessment

When the UN Guiding Principles on Business and Human Rights were first published in 2011, we analyzed the approach to human rights then in place across ABB, to assess the extent to which our policies and practices were aligned to those Principles. That analysis helped to sharpen our focus on the most salient human rights risks of relevance to an international corporation, including matters related to labor rights among our employees and in our supply chain. During 2016, our Group Head of Corporate Responsibility worked with senior experts from the Legal and Integrity and Supply Chain functions in ABB to further strengthen our policies and processes that address modern slavery risks within our operations and supplier base. We are confident in our management and assessment of the risk exposure to modern slavery and human trafficking in our operations and our supply chain but we appreciate that further due diligence and risk assessment needs to be undertaken. In 2017, this cross-functional team will continue to lead assessment of ABB's potential exposure across our operating business and our global supply chain. This analysis will in turn determine whether any changes are required to the program and associated compliance mechanisms.

Codes and policies

During 2016, ABB amended a number of key policies and processes to extend its existing efforts to ensure there is no child or forced labor within its operations nor its value chain. These include the ABB Supplier Code of Conduct, the ABB Policy Combating Trafficking in Persons, our Human Rights policy and statement, our Social policy, our supply chain and contractor questionnaires, as well as certain internal directives and guidelines. The revised policies make clear that there is no place in ABB business or within the operations of our contractors and suppliers for modern slavery and human trafficking.

Training

In 2016 we continued roll-out of our human rights training program which amongst other topics addresses the issues of modern slavery and human trafficking. Further training with management teams is planned for 2017. As part of increased due diligence efforts, training continues among our global supply chain experts so they are better qualified to identify and avoid – and if necessary mitigate – any violations of policy relating to modern slavery and human trafficking that may be found in our supply chain.

Supply Chain

ABB has strengthened the qualification process by which a supplier becomes part of ABB's supply base. This qualification evaluates the performance of potential suppliers on broad sustainability parameters such as health & safety, environment and working conditions. This process includes a review of supplier performance on issues of modern slavery and human trafficking. In terms of our existing suppliers we have a robust process which seeks to identify suppliers with a higher sustainability risk (which includes the risk of engaging victims of modern slavery and facilitating human trafficking). Then we actively work with such suppliers to mitigate these risks. In 2016, ABB conducted onsite assessments at 240 suppliers globally and made an additional 305 visits for monitoring and follow-up of corrective actions. In its annual Sustainability Report, ABB publishes a list of the ten most frequently identified issues found at suppliers which then require corrective actions.

During 2016 there were no reports of the presence or use of modern slavery or human trafficking in ABB's supply chain.



Peter Voser
Chairman of the Board

13 March 2017