

Antonio Giacomucci

Human rights: the approach of a global company

ABB's proactive approach to human rights dates back several years. In 2007, the company adopted a Human Rights Policy, followed by further moves to embed core issues and criteria into business decision-making processes such as the risk review for major projects, supply chain procedures and mergers and acquisitions checklists.

Work is ongoing to ensure the implications of embedding human rights into business processes are fully understood and followed.

To this end, members of the Group sustainability management team started meeting key divisions on a quarterly basis, to identify projects at an early stage of pursuit to determine if there might be human rights, social, environmental or security risks or impacts. The aim is to carry out due diligence on potential risks at a very early stage - well before a project pursuit becomes a formal tender subject to risk review procedures.

A global human rights training program was also launched, designed to raise awareness of the risks and opportunities in the company's operations and activities. The first courses were held in Italy, a major European exporting country, followed by Egypt and Dubai in the United Arab Emirates where India, Middle East and Africa (IMA) regional headquarters is based.

Those attending included business and country management representatives, and members of functions such as Supply Chain Management, Legal and Compliance, Communications and Sustainability. The course, designed and delivered by internal experts, looks at stakeholders' human rights expectations, journey on human rights so far, how the company's business can impact human rights with case studies, supply chain issues and the company's community engagement programs.

As many companies did, steps has been taking to strengthen the sustainability performance of suppliers. Among the measures taken in 2010, there is a new Supplier Code of Conduct, that defines the minimum standards for any company wishing to sell to ABB. The list of requirements includes human rights, labor rights and business ethics. It was distributed directly to ABB's top 1,000 external suppliers (representing more than 50 percent of ABB's

annual purchasing volume) and is being cascaded to the remaining suppliers via local ABB organizations.

Commitment was also given to evaluating suppliers' performance through sustainability auditing. As a founder member of the Global Business Initiative on Human Rights, ABB has been closely involved in strengthening its work, and in exchanges on the topic of corporate responsibility to respect human rights with business leaders in different parts of the world.