

ABB's Supplier Qualification System – Registration in Achilles Power & Tech

Frequently Asked Questions (FAQs)





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Overview

Why has ABB partnered with Achilles to implement a supplier registration and pre-qualification system?

The ABB Group provides engineering solutions and services to customers in over 100 countries. Each country and each ABB customer has its own standards and requirements that need to be met by ABB. It is therefore ABB's responsibility to ensure that the products and services we supply to our customers meet these standards and requirements.

It is furthermore our duty to ensure that the suppliers we work with meet critical compliance requirements such as the Conflict Mineral provision of the US Government Dodd-Frank Act and are fully compliant with ABB policies, including the Supplier Code of Conduct and the Conflict Minerals Policy.

In order to mitigate risk in our global supply chain, we need to have a comprehensive picture of each of the suppliers we work with across key compliance areas. Furthermore, new reporting requirements such as Conflict Minerals and changing legislation related for example to sustainability require ABB to take on more responsibility for the suppliers we work with. In order to do this effectively, we require more detailed information across our supply base and we need the guarantee that the information we use has been carefully validated and checked to ensure it is both accurate and up-to-date.

To achieve this, we have partnered with Achilles to develop and implement a global supplier registration and pre-qualification system on our behalf.

The success of the ABB Supplier Registration programme is an essential part of building a credible and reliable tool to support our global sourcing activities.

The ABB Supplier Registration system represents the new standard that all current and future direct suppliers to ABB are required to meet in order to be considered both compliant and eligible to work for ABB.

It enables us to check critical compliance; ensure responsible sourcing; and guarantee that the products we supply to our customers meet both industry as well as national and regional standards and requirements.

Who is Achilles?

Achilles is one of the world's largest service providers of global supply chain risk management solutions with more than 950 people working in 22 countries. Achilles works on behalf of over 850 buying organisations, from 11 industry sectors, to collect, validate and maintain essential data about more than 90,000 suppliers. This enables buying organisations to gain visibility of their suppliers' capabilities and compliance before making important sourcing decisions. With an understanding of their supply chains, buying organisations can proactively identify and mitigate potential risks to protect people, planet and profit. For more information on Achilles you can visit their website www.achilles.com.



What is Achilles' role?

It is Achilles task to support ABB with the on-boarding of our suppliers into the ABB Supplier Registration system as well as into the Power & Tech Supply Chain Management Community, if required. Their role is to assist ABB suppliers with their registration from start to finish, providing support and guidance as required.

Once a supplier has completed the Stage 1 and/or Stage 2 registration process, it is Achilles' task as an impartial third party, to check and validate (desktop only) that the information provided by each supplier is accurate and up-to-date. It is furthermore their task to flag up any issues or inconsistencies with the data directly with each supplier and to work with them to resolve this quickly and efficiently.

Once the data has been successfully passed the data validation process, it is Achilles task to transfer the data into ProSupply, the ABB global supplier management tool. Please be aware that your data will not be visible in ProSupply until it has been validated and published by Achilles.

As part of these activities, Achilles Customer Support Teams are required to engage with our suppliers on our behalf on all issues related to registration. Appointed Achilles Account Managers work closely with designated Programme Coordinators within ABB to ensure registration across our global supply base, including the management of any escalations or objections from suppliers related to their registration.

What is the Power & Tech Community?

Achilles Power & Tech is a supply chain management community for the global power, technology and automation sector. Currently, ABB is the only buying organisation within the Community; however, more buying organisations are expected to join in 2014.

Achilles Power & Tech Community brings buying organisations and suppliers from the global power, technology and automation industry together in a controlled and professionally managed environment.

Using an agreed industry benchmark, it standardises and streamlines the way buyers and suppliers engage with each other. It supports better relationships and underpins a more cost-effective and low-risk procurement process.

Achilles Power & Tech enables buying organisations and suppliers to reduce the risks to their supply chain through an impartial and rigorous evaluation and validation of supplier data across a range of business criteria that is critical to the sourcing process.

The Community Model Explained

Achilles Power & Tech Community is based on a successful and proven supply chain community model that benefits both buyers and suppliers.

The Community is jointly funded by buying organisations and suppliers. This requires all parties to pay an annual subscription fee to Achilles. The fee covers the cost of your data validation as well as system maintenance, substantial supplier support and upgrades.



Registration

Who needs to register in the ABB Supplier Registration system?

Registration in the ABB Supplier Registration system is by direct invitation only.

Registration is required from:

- All suppliers of direct materials and project services that currently hold a contract with ARR
- All suppliers of direct materials and project services that hold current contracts with recent ABB acquisitions including Thomas & Betts, Baldor and Kuhlman Power
- Any organisation that is identified by an ABB Category Team Leader as a potential direct supplier may also be invited to participate in order to qualify to be eligible for a contract award with ABB.
- Any organisation that has done business with ABB in the past and would like to be considered for future contract awards – if you do not wish to do business with ABB, please contact ABB directly

It is ABB policy that every supplier that receives an invitation is requested to complete Stage 1 of the registration process and Stage 2 if required.

Please be aware that we are also using Stage 1 to track basic supplier conformance to the Conflict Minerals provision of the Dodd-Frank Act, which is a mandatory reporting requirement of the U.S. Securities Exchanges Commission (SEC). You will therefore be required to answer specific questions related to the use of Conflict Minerals in the products you supply to ABB during the Stage 1 registration. Depending on the information you provide, and following a further internal analysis by ABB, you may be required to provide additional information around Conflict Minerals, including the completion of the GeSI-EICC Conflict Minerals Reporting Template.

All suppliers with a separate legal entity are required to register in the ABB Global Supplier Registration System. The reason for this is that ABB requires detailed information about each legal entity supplying to us. A well-managed Head Office is not a guarantee that each subsidiary is fully compliant as well.

To ensure compliance at this level, if a subsidiary company has its own legal entity, they will be required to register as well.

What is the supplier invitation process?

If you are required to register in the ABB Supplier Registration system, you will receive a formal invitation to register. The email invitation will come directly from ABB.

This will be followed by an email from Achilles, which will contain your unique registration code and the hyperlink where you can commence your registration. We advise you to action this as soon as possible following receipt of the email from Achilles.



How many stages are there in the supplier registration process?

The ABB Supplier Registration process comprises two stages – the ABB specific supplier registration (Stage 1) and the Power & Tech Community registration (Stage 2).

Stage 1 acts as a filter to determine which suppliers will be required to proceed to Stage 2. The criteria for Stage 2 progression have been set by ABB.

Stage 2 is subject to an annual subscription fee that is payable directly to Achilles to cover the costs of your data validation as well as system maintenance and support.

What is the registration process?

1. Complete the Stage 1 registration.

- a. Stage 1 registration acts as a filter to decide which suppliers need to proceed to Stage 2 of the registration process. The criterion for progression to Stage 2 has been set by ABB.
- b. Stage 1 also secures that ABB has global access to basic supplier company information and enables ABB to track Conflict Minerals compliance.
- c. If the system identifies your company as having to proceed to Stage 2, an invoice will automatically be generated at the end of the Stage 1 registration process. As soon as you have paid the invoice, you will be given access to the Stage 2 questionnaire.
- d. If the system does not identify your company as having to proceed to Stage 2, no further action is required.
- e. Once your data has successfully passed the Achilles data validation process, your data will be published and transferred to ABB's global supplier management system.

2. Complete the Stage 2 registration.

- Once your data has successfully passed the Achilles data validation process, your data will be published and transferred to ABB's global supplier management system.
- b. Your data will now be visible to all ABB buyers across all their business units worldwide as well as all future buying organisations within the Power & Tech Community.



What information do I need to supply at Stage 1?

You will be required to provide basic company information, including the products and services supplied; annual gross revenue (turnover) as well as the number of employees. You will also be required to answer some questions that are specific to ABB, including questions related to Conflict Minerals.

Please note that you are required to list the products and services you currently supply to ABB as a minimum. You may also list any products and services you would like to supply in the future. This may affect your subscription fee if you are required to proceed to Stage 2.

For more details click here

What information do I need to supply at Stage 2?

Stage 2 supports the further evaluation of your capabilities to supply. You will be required to provide information related to finance, Health, Safety and Environment (HSE), quality, insurance, products and services, Corporate Social Responsibility (CSR), ownership, legal information etc. This will include the uploading of relevant certification and other supporting information.

For more details click here

How is the data gathered by Achilles used?

Supplier information gathered via the ABB Supplier Registration and Pre-qualification system is automatically transferred into ProSupply, our ABB global supplier management tool, which is used by ABB buyers globally to support their sourcing activities. This will help us to make better, more informed purchasing decisions and manage risk in our supply chain more effectively.

Who has access to my information?

Any information you provide as part of the ABB Supplier Registration Stage 1 will only be made visible to ABB buyers. Any information you provide as part of the Power & Tech Community Registration Stage 2, will be made visible to ABB as well as to all future buying organisations within the Power & Tech Community.

Please note that your information will not be visible to other suppliers; likewise, you cannot search other suppliers' company records. This is to protect confidentiality.

Do I still need to register if I am already registered in PICS?

Although we recognise that some of our suppliers will be registered in PICS, and there are future plans to address this as part of the ABB Global Supplier Registration, for the moment ABB requires any supplier that is registered in PICS to register in the ABB Supplier Registration System as well.



Do I still need to register if I am already a member of another Achilles Community?

Although we recognise that some of our suppliers are members of other Achilles' communities, we would still encourage all ABB suppliers to register in the Power & Tech Community, if required.

Supplier data cannot be shared across other Achilles supply chain management communities. This means that as a registered buying organisation, ABB would not be able to access any supplier data outside of Power & Tech.

To support our supply chain risk management activities and future sourcing activities, it is important to us that all our suppliers register in Power & Tech if they are required to do so.

Please be aware that by not registering in Power & Tech, ABB will not have access to your data when undertaking sourcing activities, as it will not be available in our global supplier management tool.

Please also be aware that from end of 2014, in order to be classified as a "preferred" supplier in the ABB global supplier management system, one of the criteria is that you will need to have completed a Stage 2 registration in the Power & Tech Community.

Do I still need to register even if I don't have a current contract with ABB?

If you have done business with ABB in the past and would like to be considered for future sourcing events, you need to register in order to qualify to be eligible to work for ABB.

What is the consequence of not registering?

Any supplier who does not register at the correct level will not be considered compliant with ABB's sourcing process and may be excluded from future sourcing activities.

Current contracts will not be affected; however, you will be required to register at point of contract renewal.

We have always worked for ABB, why should we register now?

The Achilles system is designed to collect and store data on current and prospective suppliers to ABB. The system is an integral part of our new supplier classification and qualification process at ABB and it will serve as a global up-to-date register of suppliers and contractors for future sourcing activities.

I do not currently hold a contract with ABB but would like to work with them in the future. Can I register?

Anyone wishing to work with ABB can <u>register as a volunteer supplier</u> in the Power & Tech Community, which is used by ABB buyers to source potential new suppliers.



If ABB would like to pursue a business relationship with you further, you will receive a direct invitation to register in the ABB Supplier Registration.

To register as a volunteer supplier contact powerandtech@achilles.com or visit the ABB website – becoming a registered supplier.

What happens if I have registered at the wrong level in the Power & Tech Community?

If you feel that you have not listed all the products and services that you currently supply or would like to supply to ABB and the wider Community, you can go back and add new products or services. Please note that this may impact your subscription fee. In the event that a higher subscription fee is due, a new invoice will be raised to reflect the revised fee.

If you would like to delete any products and services, you may also do this. In the event that this reduces your subscription fee, your subscription fee will be adjusted accordingly at point of renewal. Please note that Achilles cannot make a refund on current subscription fees.

Payment and Subscriptions

Are there any costs associated with registration?

Stage 1 is free of charge; Stage 2 is subject to an annual subscription fee that is paid directly to Achilles. This fee covers the costs of the data validation, support, system maintenance and upgrades. It should be noted that as new buying organisations join the Power & Tech Community, of which ABB is the first member, there will be no additional costs – one subscription fee will apply irrespective of the number of buying organisations in the Community.

What does the subscription fee cover and who is it payable to?

The subscription fee is payable directly to Achilles to cover the costs of supplier data validation, system upgrades and maintenance as well as customer support.

How are the subscription fees determined?

Only Stage 2 is subject to an annual subscription fee. If you are required to proceed to Stage 2, the fees payable are determined by the number of product codes you select during the Stage 1 registration process.

How can I pay my subscription?

You can pay by credit or debit card. Alternatively, you can pay by Electronic Bank Transfer. Payment details are provided on your invoice.

If you have any question contact Achilles Finance Team directly at finance@achilles.com

As soon as payment has been received, you will be given access to the Stage 2 questionnaire. We therefore recommend payment by credit or debit card wherever possible.



What currency can I pay in?

You can select to pay in British Pounds (£), US Dollars (\$) or Euros (€). The invoice generated will then automatically be calculated in the currency you have selected.

What are the subscription fees?

Subscription Level	Number of Product Codes	Euro(€)	USD(\$)	GBP(£)
Basic	1 to 5	350	400	250
1	1 to 5	650	800	590
2	6 to 15	750	950	680
3	16 to 25	850	1100	770
4	26+	975	1300	890

- 1. Fees (and currency exchange rate used) are correct at time of publishing and may be subject to change.
- 2. Product Codes describe a category of product or service provided by a supplier and allows buyers to search for suppliers in line with their sourcing requirements

When does the basic subscription fee apply?

Any supplier that has an annual turnover of less than 500K USD and less than 50 employees will only have to pay the basic subscription fee as long as they select between 1 and 5 product codes.

How long will my subscription be valid?

Your subscription will be valid for 12 months from the moment of payment. The expiry date for your subscription will be visible once you log into the system.

Achilles will send you timely reminders regarding your subscription renewal to ensure you remain compliant in the ABB supplier management system.



What is the invoice process?

- 1. Complete Stage 1 registration
- 2. If you are required to proceed to Stage 2, the system will automatically calculate the level of subscription fee you need to pay based on the number of product codes you have listed
- 3. The amount payable will appear on the screen
- 4. To change the currency you wish to pay in, click on 'Change Currency' and select the required currency for your invoice
- 5. Confirm the contact details for the invoice:
 - a. Enter the Purchase Order Number (PO) if available or an appropriate reference number to support your internal tracking
 - b. Confirm you agree to the Terms & Conditions
- 6. Click on 'Submit and generate invoice'
- 7. Download the Proforma Invoice
- 8. A tax invoice will be sent to you via email

Benefits

What are the benefits of registering in the ABB Supplier Registration System (Stage 1)?

To date, if you have worked with multiple ABB Business Units, you have been required to submit your information to each Business Unit separately. This is no longer the case.

Registering in the ABB Supplier Registration System means that you only have to do the pre-qualification process once for all Business Units. All you have to do is to ensure that your Company information is kept up-to-date to ensure that ABB buyers always have access to your latest data.

Registering in the ABB Supplier Registration System:

- Qualifies you to be included in future sourcing events across the ABB Group
- All the information you provide will be globally accessible in ProSupply for all ABB business entities
- Provides a gateway to new business opportunities as it puts you in front of all ABB buyers across all their Business Units worldwide (some 500+)
- Demonstrates your compliance with ABB procurement polices including the ABB Supplier Code of Conduct
- Increases your chances of new contract awards
- Saves you time and effort you only have to do the pre-qualification process once and then just keep it up-to-date
- Means you have passed an important threshold to remain compliant in ProSupply and to qualify to be included in relevant future sourcing events across the ABB Group
- Easy to keep your company information up-to-date with easy access to your published information puts the control back in your hands

Registration presents a great opportunity for compliant suppliers!



What are the benefits of registering in the Power & Tech Community (Stage 2)?

If you are required to proceed to Stage 2 of the registration process, you are essentially registering in the Power & Tech Community. This is the supply chain management community for the global power, technology and automation industry that is managed by Achilles.

This means that the information collected via Stage 2 is not only visible to ABB but also to every buying organisation that joins the Power & Tech Community in the future.

ABB is the first buying organisation to join the Power & Tech Community; however, more buying organisations are expected to join in 2014. When they do, this is what you stand to gain:

- Increase visibility and generate new business opportunities
 Achilles Power & Tech Community offers suppliers a unique and strong marketing tool for their business. By putting your Company in front of key decision makers within the global Power & Tech Community, it opens up the gateway for new business. Having the opportunity to demonstrate the full capability of your business at a click of a button is worth its advertising weight in gold.
- Benefit from efficiencies and save time and effort
 Registering in Achilles Power & Tech Community takes the hassle out of
 procurement and cuts down the associated administration time and costs with just
 one simple evaluation questionnaire that is shared and accessed by buyers from
 across the Community. You will never have to provide the same information to
 different buyers again. One questionnaire that is valid across the whole Community
 avoids duplication of effort and frees up valuable resource that can be better utilised
 in those areas of your business that add real value.
- Demonstrate compliance and increase the likelihood of contract award
 More and more buyers are coming to realise that they are increasingly accountable
 for the behaviour of their suppliers and legislative and regulatory compliance is
 featuring high on their strategic agenda. They need to protect their reputation and
 avoid loss of business confidence through the association with the wrong supplier.

As a supplier, being able to demonstrate your compliance and provide the necessary certification as evidence of that compliance gives you a strong competitive advantage and increases your chances of being awarded a contract.

Identify gaps in service levels and improve business performance
 A rigorous evaluation and assessment of a supplier's internal processes undertaken
 by a third party, impartial assessor is a valuable asset with a high consultative value.
 Providing you with some unique insights into your business, it enables you to identify
 gaps in your service levels, which will drive important business improvements.



Technical Issues and Support

What languages are the ABB Supplier Registration and Power & Tech Community Registration available?

Currently, both the ABB Supplier Registration and Power & Tech Community registration are available in English only.

Please note that Achilles offers customer support in multiple languages.

What happens if I forget my login details?

If you have forgotten your password and have supplied sufficient security evidence to Achilles, you will be able to change your password by clicking on the 'I **do not remember my password'** link on the login page.

If you cannot provide evidence or have not yet supplied any, you can request a new password notification email. If you are still having problems logging in, you can contact Achilles powerandtech@achilles.com and they will assist you.

How many users can have login details?

The main contact registered will have administration rights for other users and can control who has access to the system within your company. There is no limit to the number of users from a system perspective.

How do I attach a document?

To attach a document you will need to:

- Save the document to your current computer
- Click on the 'Upload a document' button
- Select the document from your system for upload

Supported document formats include: .jpg .jpeg .png .rtf .pdf

What happens if I need to make any changes to my Stage 1 or Stage 2 questionnaires?

Once your questionnaire has been submitted to Achilles for data validation, you cannot make any changes to your questionnaire until it has been checked and published by Achilles (other than as part of the data validation process where issues have been raised directly with you).

Once a questionnaire has been published, you can make changes at any point in time. If you make any changes to your questionnaire(s) you will need to save your changes and resubmit your questionnaire for data validation.



Once your changes have successfully passed the Achilles data validation process, your updated information will be published and transferred to ProSupply, the ABB global supplier management system, and made visible to all ABB buyers across the ABB Group.

What happens if my questionnaire is rejected during the data validation process?

If any issues or inconsistencies with the information you have provided in your questionnaire(s) are flagged up during the data validation process, you will receive an email from Achilles listing the issues you need to address. It is important that you address these issues as soon as possible.

Please be aware that until all issues have been successfully and satisfactorily resolved, your questionnaire cannot be published and will therefore not appear in ProSupply, the ABB global supplier management system.

What happens if the information I provided goes out of date?

You will be informed by Achilles before the data you have provided expires. We recommend that you update this information as soon as possible to ensure that ABB and other buying organisations in the Power & Tech Community have access to the most up-to-date information.

I don't have all of the information being asked for; what do I do?

You can only submit the questionnaire once all fields marked as "required" have been completed.

If the information you do not have available is not required, then you can continue with the rest of the questionnaire.

If you need to source the required information from elsewhere, you can save the details that you have completed and add the missing information at a later point in time.

Remember, that until your information has been fully completed, submitted and has successfully passed the data validation process, it will not be visible to ABB.

Can I provide any pricing information on my Company's products and services?

No, you cannot provide any pricing information in your registration.

You may be asked to provide detailed product pricing information if you are invited by ABB to submit an offer for a contract. This process is managed by ABB.



How can I contact Achilles?

Achilles Head Office 30 Western Avenue Milton Park, Abingdon Oxfordshire OX14 4SH UK

Website: www.achilles.com

Email: powerandtech@achilles.com

To contact one of Achilles Customer Support Teams around the globe:

For Europe and Africa:

Call +421-2-2099-2320 (enquires) or +421-2-2099-2370 (system support)

For Indian Sub-continent and Middle East:

Call +852-3996-7317 (enquiries) or +91-22-2832-40-79 (system support)

For South East Asia/Australia/New Zealand:

Call +852-3996-7317 (enquires) or +852-2815-7154 (system support)

North America: +1-281-809-4400

For Central and South America:

Call +56-2-585-9690

Important Links

Achilles Website: Power & Tech

ABB Website: Supplying to ABB

ABB Website: Becoming a supplier

ABB Supplier Code of Conduct

ABB Supplier Code of Conduct – animated video

Video: ABB Group Head of Supply Chain Management and the Head of Supply Base Management provide some background and perspective as to why ABB requires potential and existing suppliers to register in Achilles Power & Tech

ABB Material Compliance

ABB Conflict Minerals Policy

ABB Supplier Sustainability Programme

ABB Supplier Sustainability Implementation Guide

Video: Adam Roscoe, Head of Sustainability, and Daniel Helmig, Head of Supply Chain Management, speak about the importance of Conflict Minerals to ABB and its suppliers.