

2024

The Global ABB Integrity Program

www.abb.com/integrity



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How we drive a strong enterprise culture

Leadership: tone from the top



“We are committed to fostering a culture in which integrity is woven into everything we do and is at the core of our governance, along with transparency. Integrity is a prerequisite for a world-class business and our reputation as a trusted and reliable business partner.

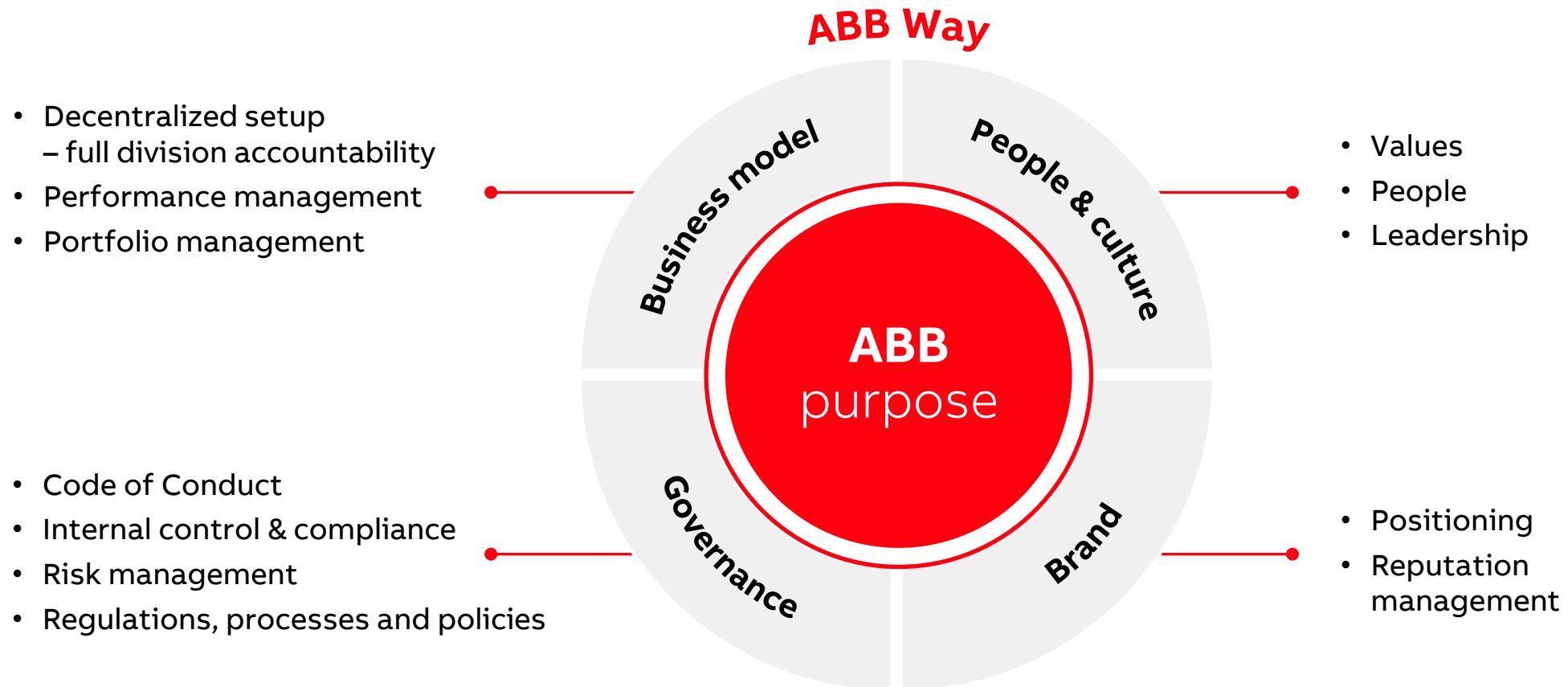
The Code of Conduct reflects our collective and individual commitment to integrity and is the main pillar of our strong governance framework. Performance is measured not only by the results achieved, but also how these results were achieved. The Code guides our employees to do the right thing – follow the law, act honorably and treat each other with respect – and underpins our commitments to ethical behavior and human rights. The Code contains a commitment against retaliation to ensure that people can speak up at any level of our organization and value chain.

We remain firmly committed to our integrity program and activities to support transparency. Various aspects of our governance and policies ensure that our integrity program is adopted by our employees, suppliers and partners, and embedded in all our business processes with our customers through prevention, detection and resolution. Together, we strive always to be an exemplary corporate citizen wherever we operate.”

Morten Wierod
Chief Executive Officer

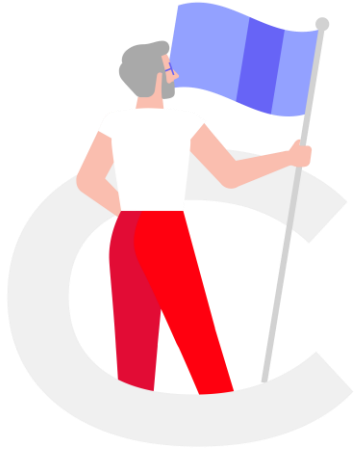
How we drive a strong enterprise culture

The ABB Way: our operating model



How we drive a strong enterprise culture

The ABB Way: our values



COURAGE

In ABB, we:

- Speak openly
- Challenge ourselves
- Act with integrity



CARE

In ABB, we:

- Care for ourselves
- Care for each other
- Care for customers



CURIOSITY

In ABB, we:

- Stay open minded
- Go beyond
- Innovate



COLLABORATION

In ABB, we:

- Co-create
- Build trust
- Connect the dots

INTEGRITY

Courage through empowerment
and accountability

Care through respect and
governance

Curiosity through awareness and
continuous improvement

Collaboration through
transparency

How we drive a strong enterprise culture

The ABB Way: our Code of Conduct

- The ABB Code of Conduct provides employees with the guidance and tools they need for day-to-day business. It is available in 32+ languages
- The Code expresses our **strong collective and individual commitment** to integrity and provides practical guidance to our workforce, suppliers and business partners in how we conduct business worldwide
- It applies globally to **all of ABB's employees, managers, officers and directors**, including ABB's wholly-owned affiliates and subsidiaries, and employees of joint venture or other entities that have majority ownership interest or exercise effective control
- It empowers employees to **speak up** when they see any violations of the Code without fear of retaliation
- The Code is easily accessible on our website and available for real-time reference via the Code of Conduct mobile app for ABB employees and external stakeholders

You can access the ABB Code of Conduct by scanning the QR code or clicking on this [link](#) to view and download the PDF version.



How we drive a strong enterprise culture

Code of Conduct: culture of integrity

Our integrity principles:

1 We behave
and do business in an ethical way

2 We work
in a safe and sustainable way

3 We build trust
with all stakeholders

4 We protect
ABB's assets and reputation

5 We speak up
and do not retaliate



How we drive a strong enterprise culture

ABB's Sustainability Agenda



ABB acts with integrity and transparency

Our sustainability targets are linked to our senior management incentives. ABB has two targets aimed at driving integrity and transparency across our organization:

1. Global framework for assessing and mitigating all third-party risks through risk-based due diligence and lifecycle monitoring
2. Global Integrity Program underpinned by accountability for integrity and an adaptive risk management strategy gained from insights through targeted learnings, transparent reporting and monitoring



Integrity throughout the enterprise

ABB’s Global Integrity Program and effectiveness measurements

Commitment from senior and middle management ABB has a culture of integrity and compliance beyond a paper program that is supported by senior and middle management.	Code of Conduct and procedures ABB's Code of Conduct is the foundation of its overall integrity and compliance program. The Code articulates ABB’s integrity expectations as well as appropriate procedures, processes, and guidance.	Oversight, autonomy and resources The Board of Directors has requisite oversight and senior leadership is responsible for the direction and execution of the integrity program. The integrity function is adequately resourced.	Risk assessment ABB adequately analyzes and addresses the risks specific to its industrial sector, size, geographic spread, business stakeholders and regulations.	Training and communications ABB takes adequate steps to ensure that relevant policies and procedures have been communicated throughout the organization as appropriate to its employee base, and to its relevant external partners.
Annual employee Engagement Survey, Integrity Leaderboard KPIs	Quarterly reporting to the Board and its Committees	Integrity Leaderboard KPIs, Internal Audit and Data Analytics	ERM, Fraud Risk Assessment, anti-corruption risk assessments	Integrity Leaderboard KPIs
Incentives and disciplinary measures ABB consistently applies across all levels of seniority appropriate discipline for non-compliance with the company’s Integrity Program, with positive incentives aimed at driving compliant behavior.	Third party due diligence ABB conducts risk-based diligence and oversight of the engagement and performance of third parties relevant to the relationship type and risks associated with the same.	Mergers and acquisitions, pre-acquisition due diligence and post-acquisition integration ABB performs risk-based, substantive compliance due diligence prior to the acquisition of an organization or the formation of a joint venture, and risk-based integration of the transaction target or partnership into its integrity program, and/or designs adequate and risk-based controls.	Confidential reporting and internal investigation of misconduct, followed by analysis and remediation of misconduct ABB's employees and third parties may raise concerns of potential non-compliance anonymously or otherwise. Company investigators adjudicate such concerns in a timely manner. The company conducts root-cause analysis of substantiated integrity non-compliance and remediation.	Continuous improvement, periodic testing and review ABB consistently reviews its Integrity Program to identify opportunities for continuous improvement and tests the effectiveness of its processes.
Real-Time Case Dashboard	Internal Audit and Data Analytics	Internal Audit and Data Analytics	Real-Time Case Dashboard, Integrity Leaderboard KPIs, Board reporting	Internal Audit, Data Analytics

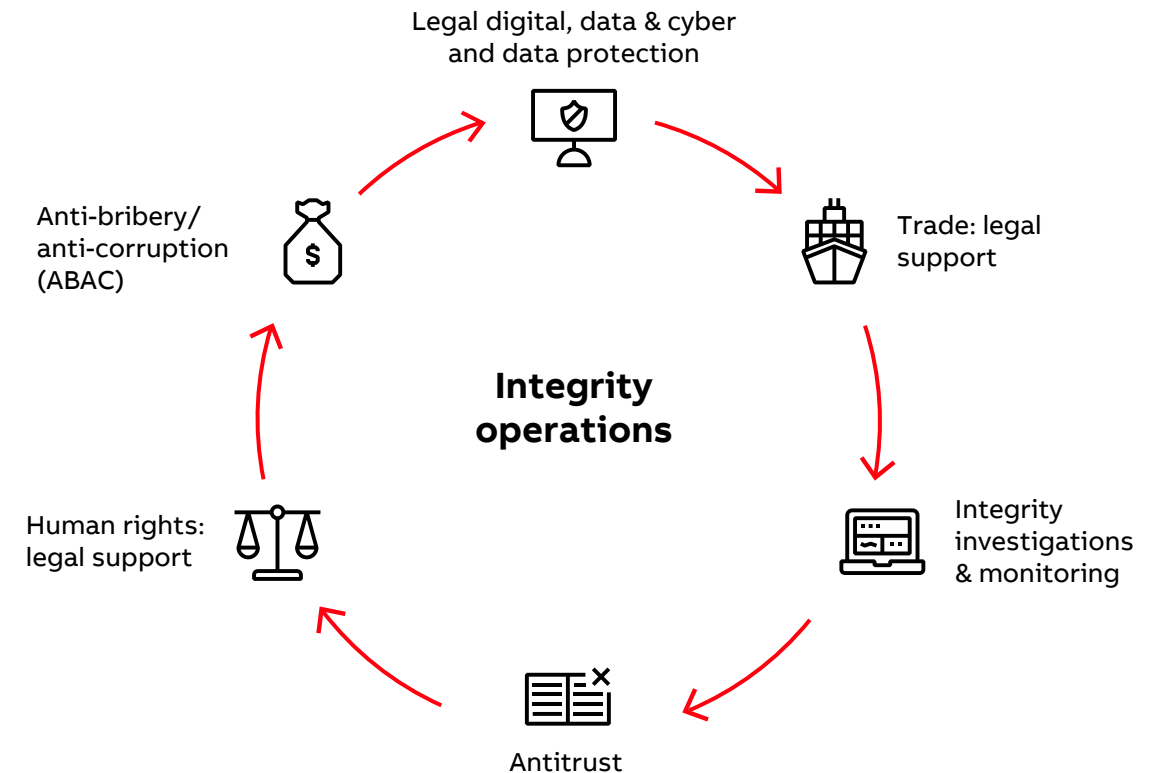
Group Integrity & Regulatory Affairs

ABB's global Group Integrity team – who we are and what we do

“We are not just about achieving great results but also how they are achieved.”

– Natalia Shehadeh, Chief Integrity Officer

- Integrity is the cornerstone of everything we do at ABB and is embedded in our people, businesses and processes
- All our leaders and employees have a responsibility to create a culture of integrity and transparency to drive sustainable business growth
- These goals are supported by the global Integrity & Regulatory Affairs team, which is accountable for developing and maintaining ABB's integrity program
- While the program covers all relevant integrity areas, this presentation **primarily** focuses on those components addressing the company's anti-bribery/anti-corruption risks

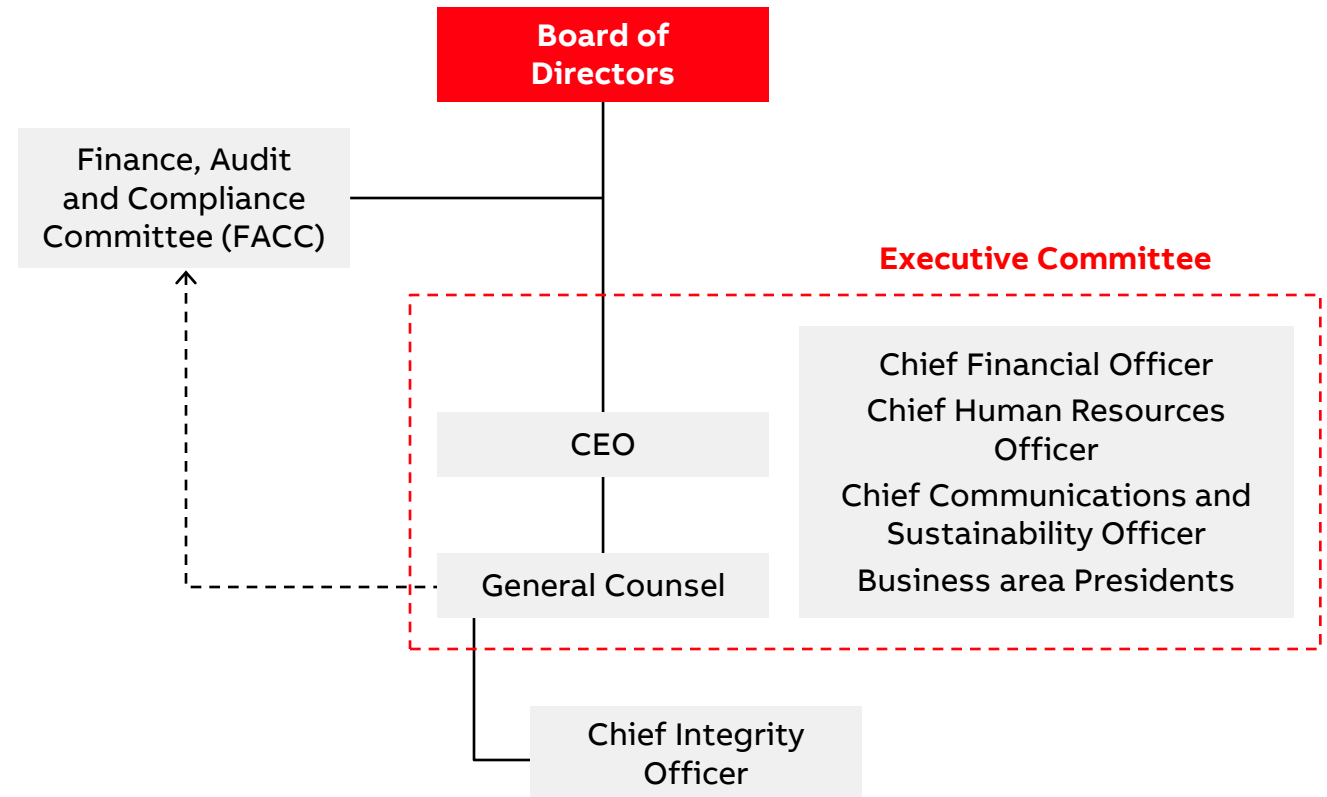


How we ensure proper governance

Corporate governance: at a glance (1 of 2)

Integrity governance throughout ABB

- The Board of Directors maintains ultimate responsibility for compliance and integrity, with support and oversight provided by the FACC
- The Chief Integrity Officer reports at least quarterly to the FACC, with periodic updates to the full Board
- Legal & Integrity provide monthly presentations to the Executive Committee as part of the **license to operate** integrity initiative
- These **license to operate** messages are cascaded to the business areas by the business area general counsels

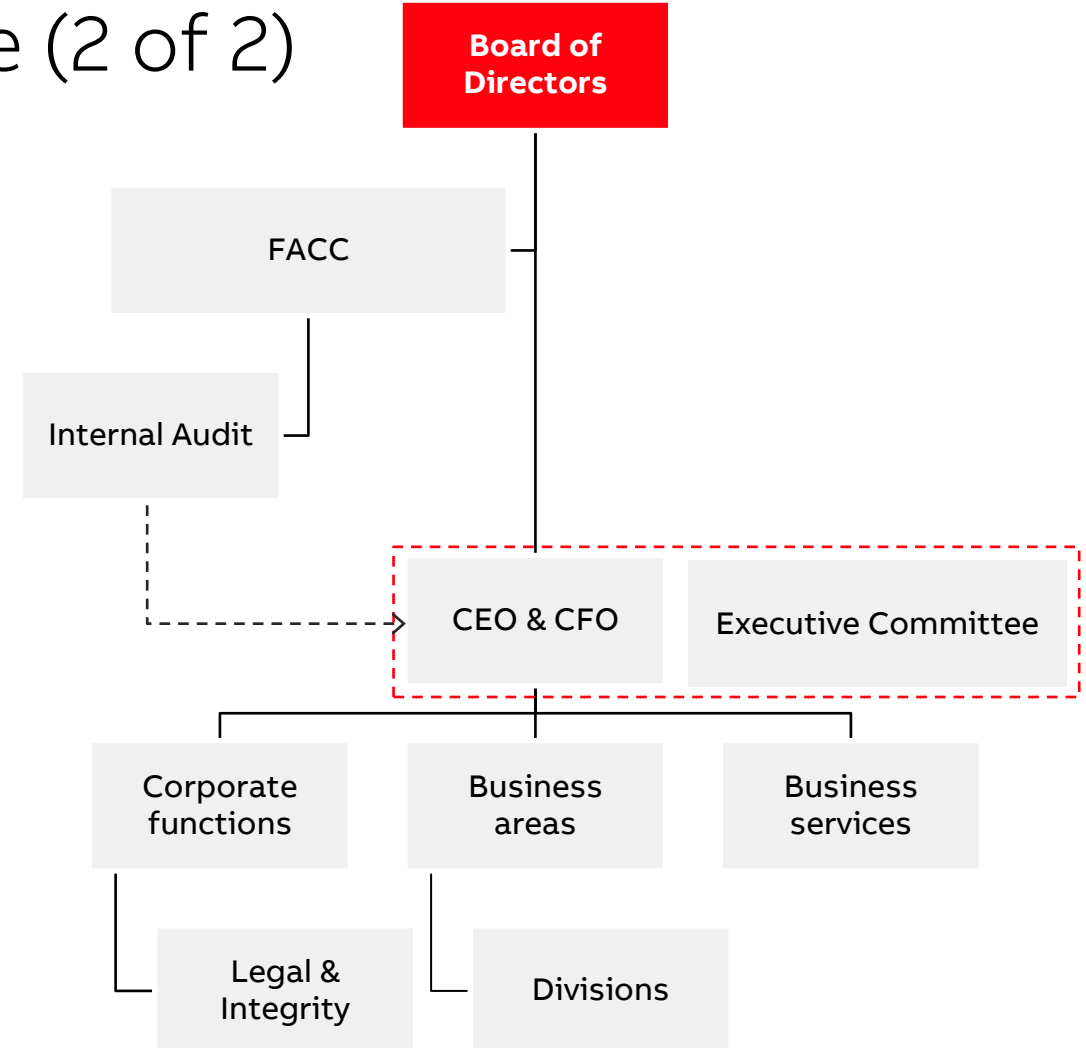


How we ensure proper governance

Corporate governance: at a glance (2 of 2)

Integrity governance throughout ABB

- **Internal Audit**
 - Provides independent objective assurance and other services to the Group,
 - Reports observations and recommendations for improvement to management and the Board as appropriate, and
 - Coordinates work with Legal & Integrity, including IIM
- **Business areas** are the operational units of the Group and have full operational ownership of their activities
- **Corporate functions** define key Group processes, establish mandatory policies, and provide service and functional guidance to the Group. They are independent from and do not report into the business areas
- **Business services** provide services to the Group utilizing standardized processes delivered by teams based in country front offices or central hub locations



How we ensure proper governance

Commitment by senior and middle management

Integrity on the business agenda

- Business-driven communications and trainings tailored to real cases and risks
- Used by corporate and local business unit managers to raise awareness and foster an environment where employees talk about integrity
- Topics have included: third-party risks; conflicts of interest; gifts, travel & hospitality; ABB's multiple reporting channels; the meaning of “corrupt intent”; the consequences of early revenue recognition; how to recognize false expense and travel reports; respect in the workplace; ABB’s end-to-end control environment; and what to do if told by a manager to ignore a compliance concern

Integrity on the Business Agenda – Q1 2023

Respect in our workplace

BEING RESPECTFUL IN OUR WORKPLACE MEANS:

- **Fostering an environment free from harassment, intimidation and threats or acts of violence**
 - Harassment can be physical, spoken, visual or written (i.e., in person or by email/messaging)
 - Examples include bullying, yelling, cursing, insults, inappropriate gestures, and comments about looks/personal attributes. If they could reasonably be considered offensive or to cause discomfort
 - Sexual harassment is any unwelcome conduct of a sexual nature which may cause humiliation, offense or intimidation of another, such as unwanted sexual advances/touching, sexual/gender-based jokes and sharing sexually charged material
- **Promoting a speak up culture and taking a clear stand against conduct/comments that are inconsistent with our culture and values**
 - Lead by example by treating your colleagues with respect and through living up to our standards for fair treatment, diversity and inclusion
 - We do not accept behaviour intended as a joke about race, religion, ethnicity, gender or sexual orientation
 - Stand up for our values in group/team settings and do not be a bystander to harassment
 - If you have concerns, escalate them promptly through one of our reporting channels

WHY IS THIS IMPORTANT?

- **Harassment, intimidation and violence breach our ethical values and standards** – ABB has zero tolerance for this type of behaviour in the workplace (and alcohol consumption is never an excuse)
- **We cultivate a culture of care** – As one of our four values at ABB, we ensure that respect and dignity is always maintained towards our colleagues
- **We provide a safe working environment** – Mutual respect and tolerance are fundamental to how we work and communicate with each other at ABB

 In 2022, we had 47 substantiated cases of harassment/bullying or sexual harassment



Integrity on the Business Agenda – Q4 2023

Anti-Bribery and Anti-Corruption (“ABAC”) Framework

ABB'S COMMITMENT

- ABB is committed to operate with the **highest standards of ethics business conduct and professional behavior**
- Acts of bribery and corruption are **illegal and threaten our global license to operate**
- Consistent with our Code of Conduct, **we do not tolerate any form of bribery or corruption**

ABAC FRAMEWORK

- ABB has taken extensive actions to **enhance our culture of integrity** and our controls to combat bribery and corruption
- The **ABAC Framework**, in its initial form, provides a conceptual overview of key ABAC controls that have been embedded in certain processes to manage primary areas of bribery and corruption risk
- The ABAC Framework **summarizes ABAC risks and maps them** to the relevant ABB policies, procedures, training materials, and enterprise tools designed to **manage and mitigate them**
- This is a **living concept** which will continue to be enhanced and developed into 2024, as we address other areas of potential risk across ABB

WHY IS THIS IMPORTANT?

- As ABB employees, we each have a **role to play in protecting ABB** from conduct that goes against our ethical standards
- ABB's success depends on our effort to **speak up if we have concerns**, and to never tolerate any form of bribery or corruption
- Our **commitment to integrity is critical**. Let's foster a culture of integrity and transparency together, in accordance with our values and principles, and stand against corruption every day, in everything we do.



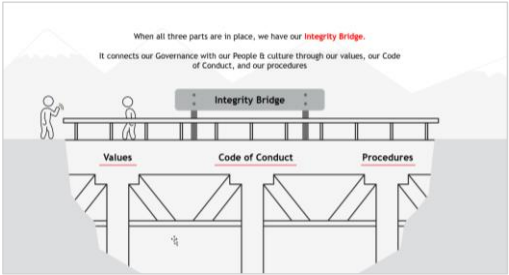
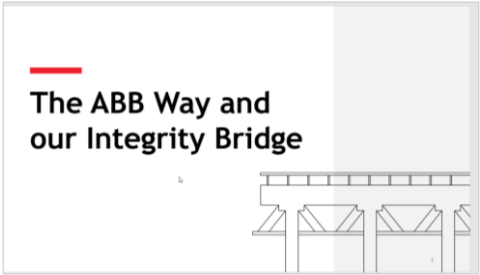


How we ensure proper governance

Employee-focused approach

Integrity bridge

- Streamlined policy structure with the ABB Code of Conduct as the core integrity policy, supported by five integrity procedures on Integrity Responsibilities & Oversight, Data Privacy, Conflicts of Interest, Third Party Management and Trade Compliance
- Simplified and standardized approach to communicate our integrity expectations and explain how our employees comply with an integrity requirement without making them experts in law
- Living the ABB purpose with integrity requires that ABB bridge the gap between governance and people & culture
- User-friendly, simplified L&I procedure template is designed to increase understandability and drive compliance



ABB

How to [do this thing.]

[COMMENTS: We want to use action-oriented titles that frame the procedure around doing a specific thing. This will help drive having granular, business-oriented procedures instead of higher-level policy/procedure hybrids.

Getting this right or wrong will determine what the rest of the procedure looks like—a clear, tight title (“How to hire a representative”) will make most of the procedure pretty obvious, while a generic title (“representatives”) can get vague or overly broad very quickly. It sounds minor, but adding the “how to” will force a lot of clarity for both the writer and the reader.]

1. Does this apply to you?

This procedure applies to [personnel] who are [doing this thing].

[COMMENTS: This summarizes the “covered people/entities” and “what” of the policy in a single sentence—in screening it, it’d be the baseline for the movie.

This is an odd test: if it is too complicated to fit in this structure, the procedure is probably too broad and should be broken up.]

It does not apply to [people who would normally be covered by the procedure] who are [doing this other thing]. If you are [doing this other thing], use [name and link to the procedure that covers the other thing].

[COMMENTS: Next, we tackle “related procedures” in two short paragraphs that focus on the actions and people that aren’t covered by this procedure—and where employees should look instead.

This part is often an afterthought, but you need it up front to substantively ensure the reader is looking at the right thing (and avoid infuriating someone who gets four pages into the procedure before realizing it doesn’t apply). You can hyperlink related procedures together so someone can quickly pivot to the one they need.

This convention also forces the procedure-writer to have a high level of precision on what each procedure covers. It is easy to get a little sloppy here, so this forces you to think like the reader and map everything out.

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3. What to do

Step	Who	What
1	You	Do this thing
2	Someone Else	Does the next thing (if there is a time span [e.g., this can take up to ... days], set the expectation here.)
3	Etc.	Etc.
4	Etc.	Etc.

[COMMENTS: Next, the core of the procedure: what to do. I’ve broken this down into numbered “who does what” steps, and would strongly recommend doing it in a simple table like this. Each step should be as absolutely granular as possible so it is a single person/role taking a single action—this lets both you and the employee figure out what to do, where there’s a bottleneck, and where something has gone wrong.

Of course, you could do a flow chart instead. But I honestly recommend you don’t—they’re extremely hard to do well and the vast majority of what I see done by SMEs in compliance just make things more confusing. In addition, even if the initial version is done well, updating a decision tree is a magnitude more complex than updating a chart, so it’ll be the thing most likely to get phased in later (and therefore make the procedure worse off).

Overall, if the previous sections of the procedure have been done well, this part will be easy. If it’s not, that’s usually a sign that something is wrong with how we’ve framed the procedure—it’s too broad or just unclear as to whom it applies to and what it covers.]

4. How to get help

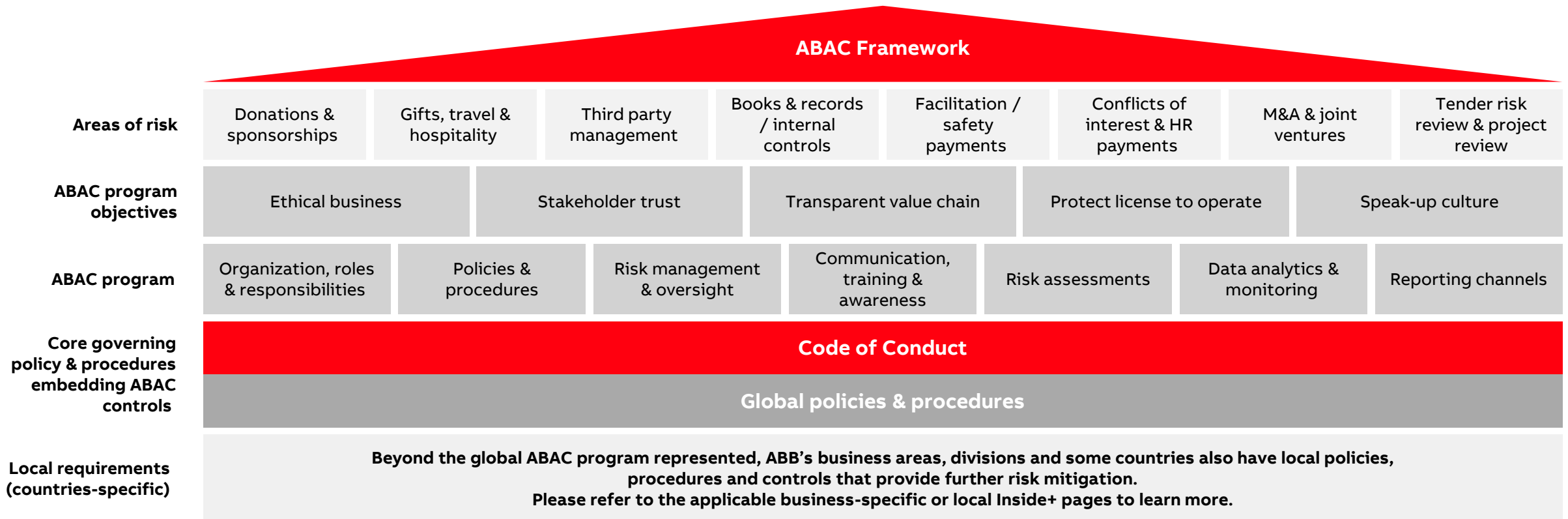
If you need help with	Contact
Interpreting this procedure for your specific situation	[Procedure Owner]
Understanding what to do at a specific step	[Either Procedure Owner or whom-ever is listed in that specific step as the actor]
Letting us know there’s a gap or improvement we can make	Etc.

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How we manage fraud and bribery & corruption risks

ABB's anti-bribery & anti-corruption (ABAC) Framework



The **ABAC Framework** is a conceptual overview of key ABAC controls embedded in business processes to manage bribery and corruption risks.

Our **Code of Conduct** requires that we compete for business strictly on our merits and do not tolerate any form of bribery or abuse of power for personal or commercial gain.

How we manage fraud and bribery & corruption risks

How we do business and address conflicts of interest

- **Bribery and corruption** is prohibited in the Code of Conduct in all business dealings, whether with public officials or private sector business partners. As a rule, facilitation payments are not permitted
- **Gifts, travel & hospitality** procedure defines thresholds, approval processes and their documentation, with additional controls for public officials
- **Donations and sponsorships** are subject to detailed internal policy and controls
- **Conflicts of Interest** are disclosed through an automated review and approval tool in accordance with company procedure and accompanied by dedicated guidance to create awareness and accountability



How we approach gifts, travel & hospitality and donations and sponsorships

Legitimate and reasonable business entertainment only

Gifts, travel & hospitality and donations and sponsorships procedure

- Sets out the circumstances under which gifts, travel & hospitality may be given and received, and under which circumstances donations and sponsorships may be made
- Sets thresholds and approval processes, reserving L&I review for higher risk transactions
- Additional controls for public officials, including employees of state-owned or controlled companies
- Recording and pre-approval requirements through the global, web-based tool, the [Integrity Gateway](#)



How we manage gifts, travel & hospitality, and donations and sponsorships

Legitimate and reasonable business entertainment only

Integrity Gateway

- Standardized pre-approval and disclosure tool for gifts, travel & hospitality, donations and sponsorships, and conflicts of Interest
- Approval process documented in global web-based pre-approval tool – the Integrity Gateway
- Greater business ownership and accountability for all pre-approvals, with Legal & Integrity approval and overall monitoring of higher-risk transactions

The screenshot shows the 'Request to Provide a Gift, Travel or Hospitality' form in the Integrity Gateway. The header includes the ABB logo and 'INTEGRITY GATEWAY'. A 'Back' button is on the left, and a red 'SUBMIT REQUEST' button is on the right. The form title is 'Request to Provide a Gift, Travel or Hospitality'. Below the title is a search bar containing 'Gift, Travel and Hospitality' and a 'Submitter' field. A note states: 'Please complete this Request to obtain pre-approval for providing gifts, travels or hospitalities ("GTH") to (i) any Public Officials, (ii) to any third ... [Show More](#)'. The form is divided into two main sections. The left section contains a sidebar with 'Request ID: GTH-000-460', 'Created: Jun 22, 2022', and 'Status: New'. Below this is a vertical list of steps: 'Activity Details' (highlighted with a red circle) and 'Recipient Details'. The right section contains 'Activity Details' with fields for 'Approximate date(s) on which the gift, travel or hospitality will be provided:' and 'Country or countries where the gift, travel or hospitality will be provided:'. A 'Purpose' field is also present.

The screenshot shows the 'Request to Provide a Donation or Sponsorship' form in the Integrity Gateway. The header includes the ABB logo and 'INTEGRITY GATEWAY'. A 'Back' button is on the left, and a red 'SUBMIT REQUEST' button is on the right. The form title is 'Request to Provide a Donation or Sponsorship'. Below the title is a search bar containing 'Donations and Sponsorships' and a 'Submitter' field. A note states: 'Complete the questions below to request pre-approval to provide a Donation or Sponsorship.' The form is divided into two main sections. The left section contains a sidebar with 'Request ID: DNS-000-461', 'Created: Jun 22, 2022', and 'Status: New'. Below this is a vertical list of steps: 'Recipient Details' (highlighted with a red circle) and 'Activity Details'. The right section contains 'Recipient Details' with fields for 'Name', 'SAP ID, GUID for the business, if the recipient is already registered:', and 'Country:'.

How we manage fraud and bribery and corruption risks

Conflicts of interest program

Conflicts of interest procedure

- Our Code of Conduct requires all employees to promptly disclose any conflict of interest; undisclosed conflicts are a breach for which employees are held accountable
- These rules and this procedure also apply to employees receiving gifts, travel & hospitality from third parties, which must be appropriately recorded, approved, and monitored to avoid conflicts
- The procedure provides typical circumstances that present actual/potential conflicts, and which must be disclosed
- Employees are further supported with guidance, micro-learning and a dedicated microsite to facilitate understanding of conflicts and the disclosure process

**“When do
interests conflict?”**



How we manage fraud and bribery and corruption risks


Conflicts of interest program

Integrity Gateway


- ABB maintains the Integrity Gateway where employees can disclose and update potential conflicts of interest, and ABB can review and approve and track remediation
- Approval workflows ensure involvement by local L&I personnel and input from applicable managers and HR business partners
- Approvers can develop and document remedial measures within the system
- Questionnaires are tailored to the conflict type and allow employees to provide updates on changes in circumstances

ABB | INTEGRITY GATEWAY


Start an Approval Request




Disclose a Possible Conflict of Interest



Provide a Donation or Sponsorship



Provide a Gift, Travel or Hospitality




Receive a Gift, Travel or Hospitality

← Back

ABB | INTEGRITY GATEWAY

SUBMIT CONFLICT

⋮

 Disclose a Possible Conflict of Interest

Conflicts of Interest x

Submitter:

Complete the questions below to request advice on whether a situation presents a possible conflict of interest and/or to disclose an actual conflict of interest. Disclosure of circumstances that may raise a conflict of interest, or an appearance of a conflict, are essential to ensure that your reputation, and the reputation of ABB, are protected in line with the expectations of the ABB Code of Conduct. For more information, please [Show More](#)

Request ID: COI-000-462

Created: Jun 22, 2022

Status: New

Basic Information

Please carefully select one of the following categories which best describes the potential conflict of interest that you are disclosing:

Have you previously disclosed this/these conflict(s) to your manager, a former manager, Human Resources, or a member of the Legal & Integrity Function outside of this system?

☐ Yes

☐ No

☒ Disclosure Details

How we manage fraud and bribery and corruption risks

Building trust through transparency and honesty

To be successful, we must build each stakeholder's trust through the integrity of our words and our actions.

ABB supports international efforts to embed integrity into the conduct of business sectors. While government initiatives are vital to continued progress against corruption, the private sector has an important role to play. ABB contributes to the following organizations and initiatives related to integrity:



- **United Nations' Global Compact**
- **World Economic Forum's Partnering Against Corruption Initiative (PACI)**
- **Transparency International's business principles for countering bribery**
- **CEELI Institute** - [CEELI Institute](#), dedicated to advancing the rule of law
- **Business Ethics Leadership Alliance**
ABB is a member of the [Business Ethics Leadership Alliance \(BELA\)](#), a community that connects senior compliance practitioners with industry thought leaders and provides the comprehensive tools and resources needed to advance the dialogue and raise the bar for best practices
- **Ethics and Compliance Switzerland (ECS)**
ABB is a founding member of [Ethics and Compliance Switzerland \(ECS\)](#), an interdisciplinary professional society whose goals are to promote ethics and integrity in both private and public organizations as well as to promote sustainable "best practices" in compliance. This enables ABB to develop and contribute to the overall development of systematic values and integrity in various organizations throughout Switzerland and abroad

How we manage third-party risks

ABB's approach on working with third parties

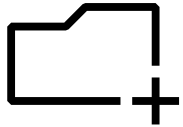
- Mandatory, risk-based due diligence covering **M&A, divestment** and **joint venture** activities, business opportunities and partners (including **third-party representatives, suppliers** and **customers**)
- Agreements with third parties, including **subcontractors and consortium partners**, are aligned with ABB's commitment to integrity in the performance of the contract
- **Mandatory integrity provisions** with suppliers, sales channels and direct customers, explicitly applying integrity-related laws to the business relationship (ABAC, sanctions and trade, and human rights)
- **Suppliers** must also maintain integrity standards which are satisfactory to ABB and adhere to the ABB Supplier Code of Conduct



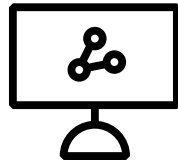
How we manage third-party risks

Processes and controls

Onboarding and lifecycle monitoring of third parties



Risk-based front-end due diligence prior to considering engagement



Appointments subject to robust, structured approval processes



Standard agreement must be used that includes anti-bribery provisions, audit rights and the right to terminate agreements for any violation



Risk-appropriate monitoring over the lifecycle of the engagement

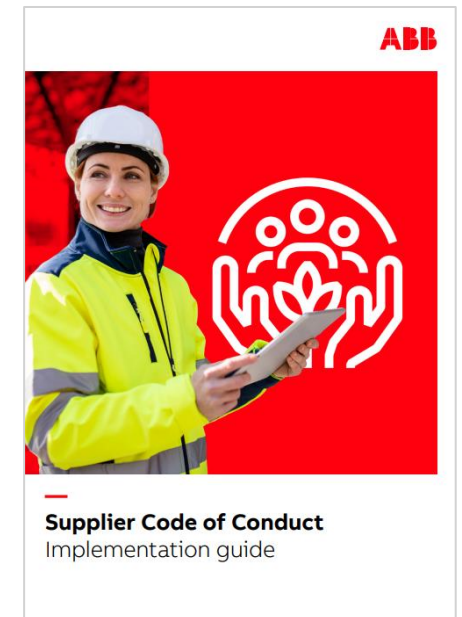
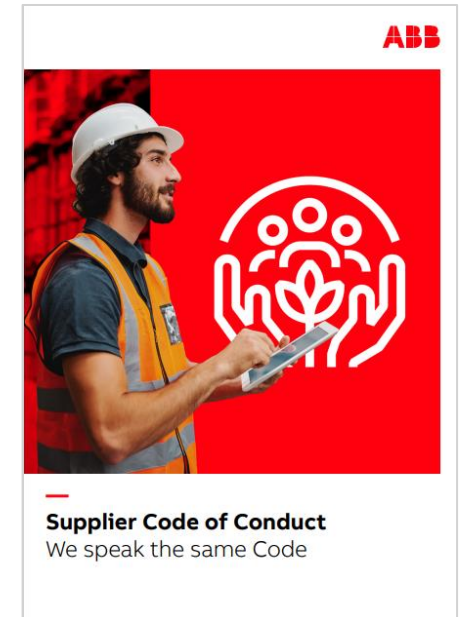
Strong integrated processes for appointment and management of third parties

How we manage third-party risks

ABB Supplier Code of Conduct

- ABB has a “zero tolerance” policy when it comes to unethical business behavior, such as bribery, corruption and forced labor, and expects all its suppliers to adhere to similar standards and to conduct their business ethically
- The **ABB Supplier Code of Conduct** defines the main principles underlying a supplier’s business activities with ABB, including:
 - Human rights and decent work
 - Health and safety
 - Climate and environment
 - Material compliance and responsible minerals
 - Business ethics
 - Business and information security
 - Procurement by suppliers
 - Documentation, inspections, reporting and corrective actions
 - Reporting concerns and access to remedy
- The accompanying **implementation guide** explains how ABB suppliers can meet the requirements of the ABB Supplier Code of Conduct

Both documents were updated in 2023 and came into effect from January 1, 2024.



How we manage M&A risks

Integrity in mergers & acquisitions

- ABB reviews all potential merger and acquisition targets, venture investments, potential buyers of businesses earmarked for divestment, and joint venture/team/consortia partners for past and ongoing compliance with all legal requirements and to assess their commitment to integrity
- Integrity risks are assessed and inform deal-related decision-making at all stages of the transactional process by:
 - identifying publicly available information about the target and integrity-related risks of the target's operations/practices; and
 - reviewing the structure of the target's integrity organization/program; third parties; joint venture, team and consortium arrangements; internal reporting mechanisms and investigations; and audit reports



How we manage M&A risks

Integrity in mergers & acquisitions

- For M&A and investment transactions post-closing, ABB ensures proper integration of all acquired entities and employees into its integrity program, including on:
 - anti-bribery and anti-corruption
 - Antitrust
 - Trade
 - human rights, and
 - data security
- For joint venture/team/consortia arrangements, ABB ensures implementation of a robust governance framework, integrity program, and monitoring mechanisms



How we manage competition risks

We compete fairly, openly and independently

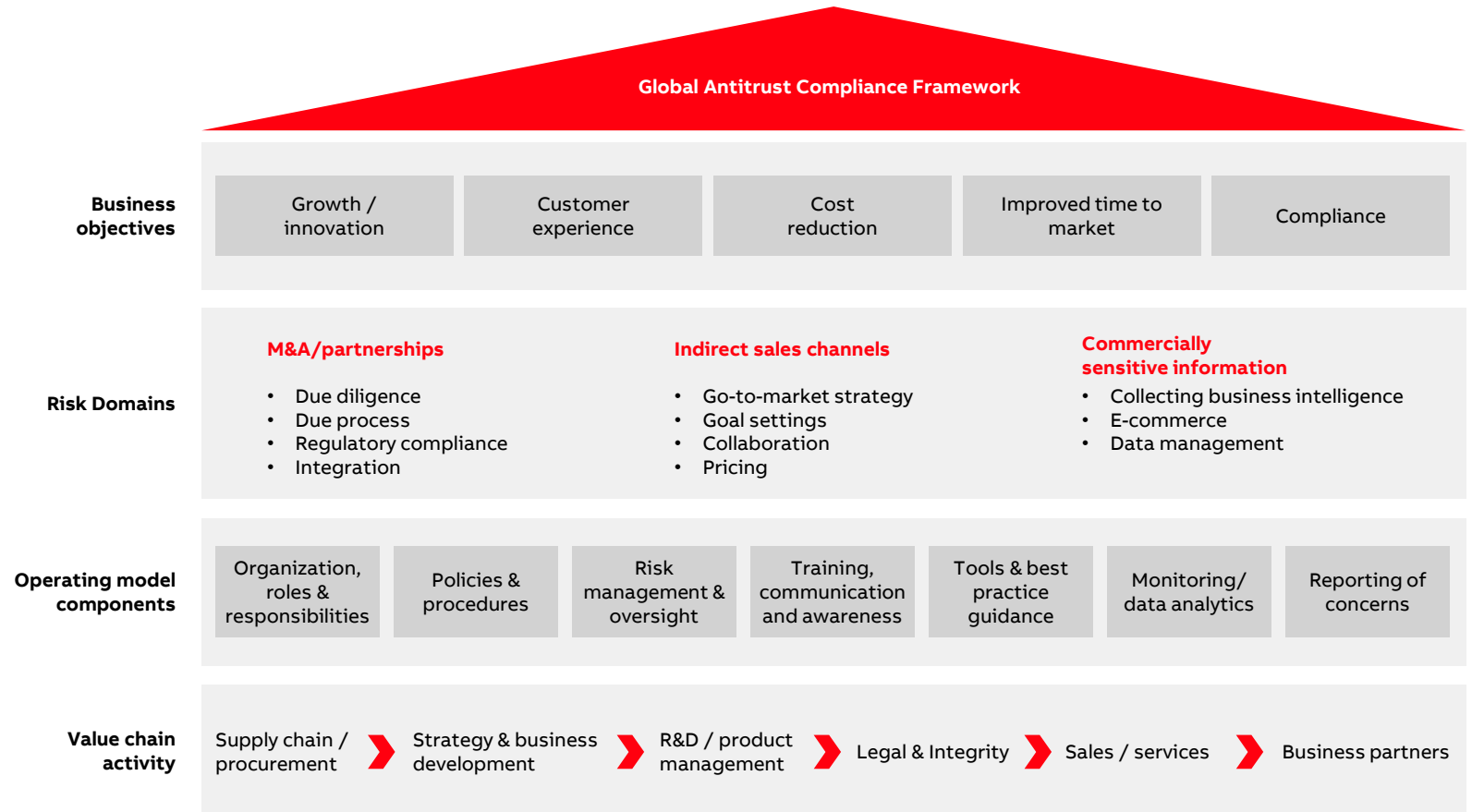
- Any discussion, agreement or understanding (direct or indirect) with a competitor on price, allocation of products, markets, territories, customers or bids, or restrictions in production or collective boycotts is illegal
- Exchanging with, or signaling to, competitors any information on individualized intentions concerning future conduct regarding prices, quantities or other elements of competitive behavior is illegal
- ABB does not obtain from, or share with, competitors any commercially sensitive information (CSI), i.e., information that could influence a commercial decision of ABB or a competitor (e.g., cost, margins, pricing data, future strategies, product plans)
- ABB will not agree with, or require, a customer to resell our products at a certain price
- Exclusive arrangements or other restrictions on a customer's or channel partner's ability to resell in certain markets or to certain customers cannot be imposed without first consulting with the Legal & Integrity team

**“How do we
play fair?”**

How we manage competition risks

We comply with all laws protecting fair competition

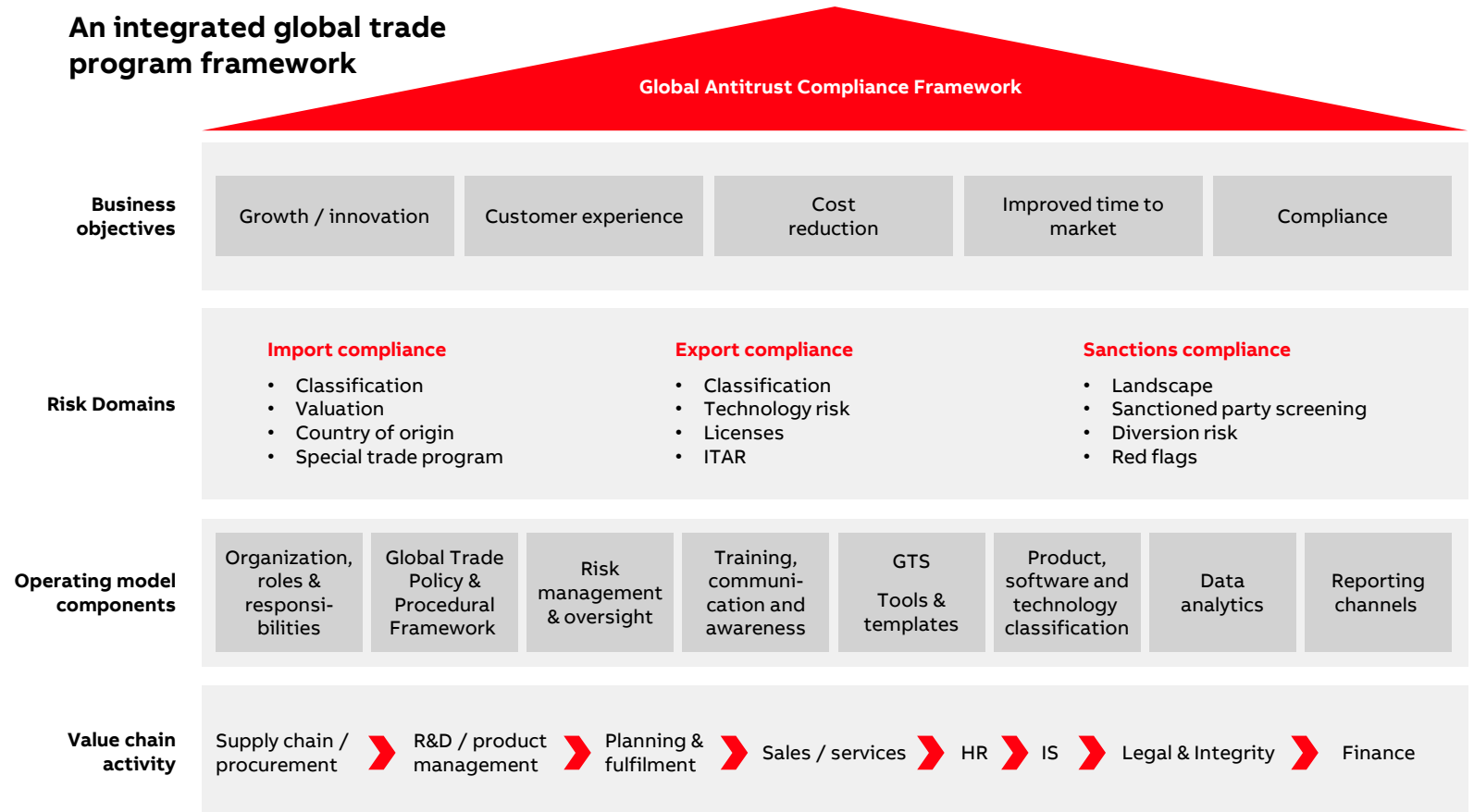
- We compete fairly, openly and independently. We comply with all laws protecting fair competition, and we expect our business partners to do the same
- ABB has implemented a global framework to mitigate antitrust risks, including appropriate processes to facilitate compliant M&A activity, best practice tools and guidance to support interactions with business partners, mechanisms to report concerns, as well as guidelines and training to ensure appropriate levels of antitrust risk awareness throughout the ABB value chain



How we manage global trade

We comply with trade laws when importing and exporting

- We operate in a global environment. We comply with applicable trade laws and regulations, including those relating to **import and export controls, trade sanctions and customs procedures**, and we expect our business partners to do the same
- The **ABB Code of Conduct** is the **foundation** of the ABB Global Trade Program. The Code of Conduct prescribes how ABB conducts business. It applies globally to all of ABB's employees, managers, officers and directors, including ABB's wholly owned affiliates and subsidiaries
- The **Global Trade Compliance Procedure** governs the ABB Global Trade Program including appropriate screening of parties, classification processes, export controls assessment, customs compliance requirements, sanctions analysis and training communication to facilitate compliance with trade control laws



Digital, data, cyber and data privacy in ABB at a glance

Our people, technology and operations create positive impact and value while enabling compliance in an increasingly complex global regulatory environment



People

ABB maintains a dedicated global team, staffed by full-time digital, data, cyber and data-privacy professionals, supported by our network of business and country representatives, as well as external resources. All ABB employees are trained in the basics of operating in the digital space as well as data protection and information security. More specialized training is provided for selected job functions. Employees must comply with our internal policies and procedures around data protection, information security and related topics. External suppliers and vendors have similar requirements.



Technology

Recognizing that data and emerging technologies have tremendous potential, ABB supports the responsible adoption of new technologies. These tools and ideas on how to realize the potential of data are still evolving as are the risks and regulatory frameworks. Risk mitigation and regulatory compliance are important features of all our initiatives, projects, products and services. Our Group has created and implemented our own in-house privacy management system which serves to accurately handle all of our privacy-related processes. External services and suppliers enhance our knowledge base and capabilities via software, web portals and other tools.



Operations

ABB has security controls for data and technology use, data protection and information across its operations and subjects them to continuous monitoring as well as periodic evaluations and assessments. We have physical, technical and administrative controls across our Group to enable the use of data and technologies and to support innovation, growth and competitiveness in a responsible manner.

How we encourage compliance

Incentives and transparency



Incentives

- Leaders are responsible under the Code of Conduct to hire and promote only those employees who have a demonstrated record of high integrity and ethical behavior
- As part of ABB's annual Performance and Development Appraisal (PDA) process, each employee must set goals against which they are evaluated, including goals based on ABB's values and employee results and behaviors
- ABB's open job market is a key element of culture to make sure we have the right people empowered by greater transparency in the recruitment process driving trust and engagement
- Targets and behavioral measures are selected from ABB's Performance Goal Library, which includes goals regarding safety and integrity and internal control and compliance
- These are assessed during ongoing two-way feedback and review of goals sessions, which includes an evaluation of how an employee's behavior aligned to the ABB values



Integrity-focused recruitment

- Human resources and talent acquisition assist the company in identifying candidates that share ABB's values and commitment to integrity
- Through "integrity dilemmas" used during interviews, those responsible for hiring pose hypotheticals to candidates to learn how they would react in ethically challenging situations. These dilemmas are tailored to the risks presented in the applicable position type and seniority level

How we encourage compliance

Incentives and transparency

“Straight Talk”

- Aligned with ABB’s strategy to drive and strengthen its integrity culture through managerial leadership and employee self-education, ABB maintains a “Straight Talk” platform to demonstrate learnings from real-life cases ABB has faced and external cases relevant to its business
- As part of these efforts, ABB also shares learnings and champions exemplary employee behavior
- This initiative also:
 - provides all employees with key metrics on integrity cases, conflicts of interest, and integrity communications;
 - provides case study video podcasts; and
 - further promotes the use of the company’s helpline and reporting channels

Straight Talk



Integrity Case Studies

Key Integrity Metrics

Case Study Video Podcasts

Where can I seek help or make an integrity report?

Straight Talk: Self-enrichment through subcontracting to a private company

Maintaining integrity when onboarding companies

- What happened?**

 - An investigation substantiated allegations of conflict of interest and self-enrichment against former ABB managers A and B. The allegation was that former ABB manager A established a private company, Company C, before leaving ABB for the purpose of self-enrichment.
 - While still employed at ABB, manager A did in fact set up and also onboard Company C as an ABB vendor for the delivery of services. In parallel, manager A also signed a contract on behalf of ABB with a customer (the “Contract”).
 - Around this time, two experts from manager A’s division, including manager B, left ABB to join Company C.
 - After they left ABB, the former managers approached ABB and proposed that the services under the Contract be subcontracted to Company C because ABB no longer had the expertise to deliver the services due to their departure.
 - An investigation substantiated the allegations of conflict of interest and self-enrichment because Manager A:
 - Knowingly signed the Contract when they knew that managers A and B intended to leave ABB and that ABB would soon lack the expertise to complete the Contract, and
 - Set up Company C to divert business from ABB.
- What were the consequences and lessons learned?**

ABB’s Code of Conduct states:

 - We act in the best interests of ABB.
 - We ensure that any decisions we make on behalf of ABB are independent of, and not influenced by personal interests.
 - We disclose promptly any personal or professional interests that might reasonably be perceived to conflict with the best interests of ABB, create an improper appearance or affect our judgment in carrying out our responsibilities at ABB.
 - We avoid external engagements or activities that might interfere with our responsibilities to ABB or harm the company’s reputation.

As managers A and B had already left ABB, no disciplinary action could be taken against them. A “Do-Not-Retire” note was made in their HR files so that they are not hired by ABB in future.

 - Company C was blocked from doing any business with ABB in future.
 - Click [here](#) for more guidance and examples of conflicts of interest and how to disclose them. For learnings and classes on the topic, please refer to the playlist on the Integrity Awareness Portal.

Professional decisions should be made in ABB’s best interests and not motivated by personal enrichment.

ABB

Need help?

- ✓ Access the [Code of Conduct online](#) or download it as an app on iOS or Android
- ✓ Check out our new [Integrity Awareness Portal](#) for videos and guidelines
- ✓ Consult your manager in [Legal & Integrity](#)

More concerns to the [Business Ethics Helpline](#)

What were the consequences and lessons learned?

- ABB’s Code of Conduct tells us:
 - **Do not permit suppliers to offer anything of value to you** (outside of what is permitted under our gifts, entertainment, and hospitality procedures) or your relatives in contemplation of potential favorable treatment of any kind.
 - **Gifts of cash or cash equivalents are strictly prohibited.**
 - Kickback payments are considered a form of **bribery** and are **illegal**.
 - We take **prompt action** regarding suppliers whose ethical performance is questionable or not in compliance with the [ABB Supplier Code of Conduct](#).
- The subject’s **employment was terminated** because their misconduct was **repeated, motivated by personal gain**, and they **failed to report** multiple other instances of gift and hospitality offers.
- You must report promptly to Legal & Integrity any attempt to be **pressured to deviate** from ABB’s procedures when **managing a supplier**. See [ABB’s policies and procedures on receiving gifts, travel and hospitality](#) and ABB’s [Gift, Travel and Hospitality Procedure](#) for information on giving donations.

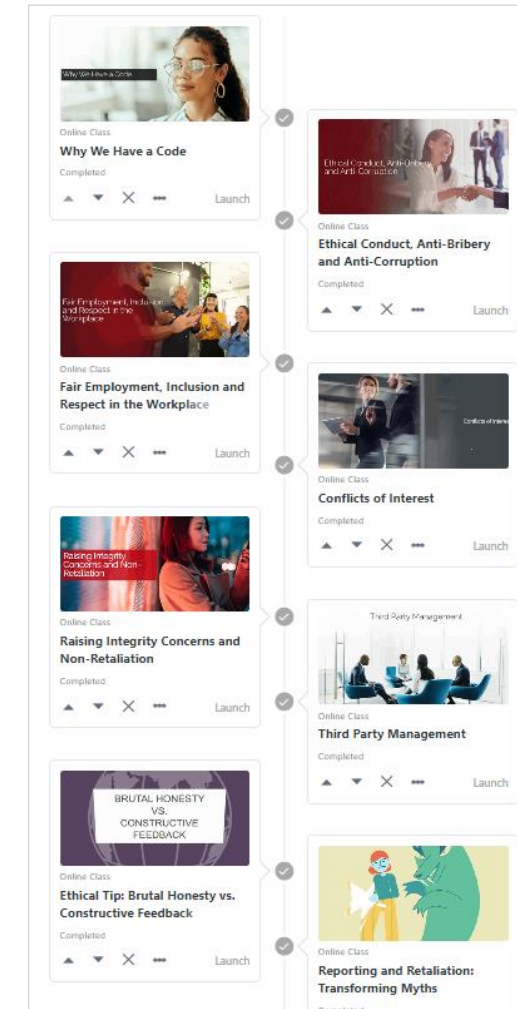
How we drive high awareness

Ongoing integrity guided self-learning

Onboarding training

During onboarding, all employees are:

- asked to watch the “We speak the same code” video;
- introduced to ABB’s Code of Conduct, reporting channels and zero-tolerance policy for retaliation;
- required to visit the Integrity Awareness Portal and complete, at a minimum, all micro-learnings in the Code of Conduct playlist;
- required to learn about and disclose any potential conflicts of interest using the Integrity Gateway; and
- asked to complete the workplace behavior and ABB’s anti-bribery commitments e-learning

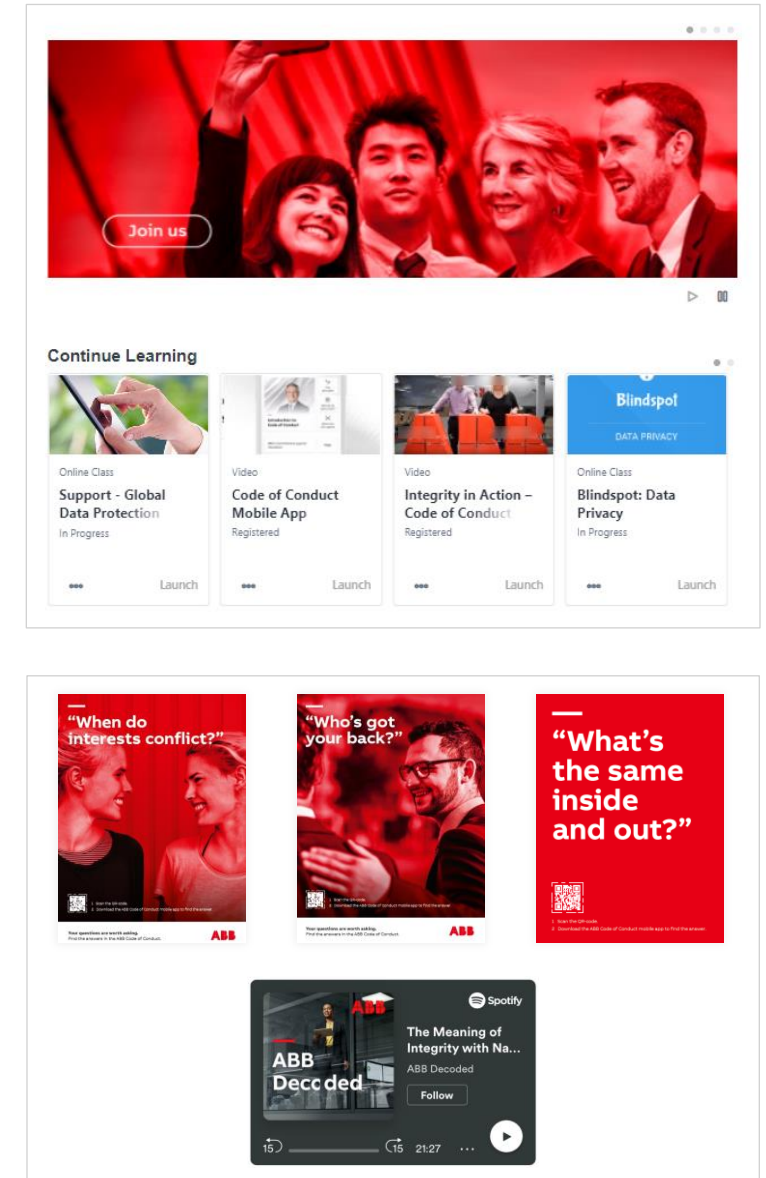


How we drive high awareness

Ongoing integrity self-learning

Continuous learning

- All employees have access to learnings and guidance necessary to **ensure awareness and understanding of the Integrity Program**
- ABB follows a hybrid integrity learning approach, with self-driven and mandatory learnings
- The **Integrity Awareness Portal** is accessible to employees and contractors and includes 130+ micro-learnings, bespoke content, short videos and ethical moments covering a range of integrity topics in variety of formats and available in up to 18 languages
 - Employees choose learnings and activities that are **most relevant** to and resonate most with them
 - The portal is **continuously supplemented** with additional bespoke learning programs and risk-based awareness campaigns for targeted audiences
- ABB also conducts **face-to-face learnings** for targeted audiences with task-based or remediation-oriented messages
- **Bespoke ABAC learnings** are available for at-risk employees and **face-to-face ABAC “poster” sessions** are held globally
- ABB **runs metrics** to monitor the utilization rate of our learning modules to continuously assess the effectiveness of our approach



How we address workplace behavior issues

Respect in the workplace

ABB is committed to providing a work environment free from harassment, intimidation and threats or acts of violence. **No form of harassment is tolerated**, including sexual harassment or other discriminatory treatment. We encourage and promote a culture of mutual respect, tolerance and collaboration.

We all have a responsibility to report inappropriate conduct and lead by example.

Workplace behavior activities

- In its 2022 Annual Report, ABB reported that complaints about discrimination and sexual harassment had risen significantly from 2021 to 2022. The increase in risk and change in expectations due to social movements such as #BLM, #MeToo and #TimesUp have brought these issues to the forefront
- In response, ABB has:
 - enhanced local policies in 40+ countries to reinforce our culture of respect;
 - enhanced HR and L&I capabilities, and investigation handling;
 - raised awareness about ABB's updated Code of Conduct; and
 - deployed manager-led Integrity Circles, including scenarios on workplace behavior and mandatory workplace behavior e-learning

Production Employees

Straight Talk: Respect each others' personal space and speak up if there is a problem.

Let's talk about what we can do if we experience or see inappropriate touching in the workplace.

What can we learn from this?

- Do not be a **passive bystander** to unacceptable behavior. Support your colleagues:
 - **Be Curious:** Ask yourself if something is wrong.
 - **Have courage:** If we do not take action, unfortunately, the harassment is likely to continue. You could ask the advice of a manager or HR, or report confidentially via the Business Ethics helpline.
 - **Show care:** Check in with Elena and Mia. Let them know what they experienced is not acceptable and make sure they know how they can get help.
 - **Have courage:** Tell someone your concern through one of our reporting channels.
- Pablo's conduct **breached our Code of Conduct**.
 - **ABB has zero tolerance for sexual harassment.** Sexual harassment involves unwelcome conduct of a sexual nature.
 - Unwanted body touching, including standing too close to someone or brushing up against another person, are examples of sexual harassment.
 - If you have observed or been subjected to harassment, please promptly let someone know through one of our reporting channels.
- In similar situations, employees who behaved like Pablo received additional training or disciplinary action, including in some cases termination.

Need help?

- ✓ Access the **Code of Conduct online** or download it as an app on iOS or Android
- ✓ Check out our new **ABB Governance Portal** for videos and guidance
- ✓ Our **Integrity Awareness Portal** is always available to answer your Code of Conduct related questions
- ✓ Consult your manager or **Legal & Integrity**. Raise concerns to the **Business Ethics Helpline**

Feel free to print copies for use during the Integrity Circle but be sure to print on both sides of the paper.

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Office Employees

Straight Talk: Unwanted flirting is not ok, including at an after-work event.

Let's talk about what we can do if we see unwanted flirting at an after-work event.

What can we learn from this?

- Do not be a **passive bystander** to unacceptable behavior. Support your colleagues:
 - **Be Curious:** Ask yourself if something is wrong.
 - **Have Courage:** If you feel safe, you could join George and Anna to defuse the situation or ask someone for help.
 - **Show Care:** Let Anna know that what she experienced is not acceptable and make sure she knows how she can get help.
 - **Have Courage:** Tell someone your concern through one of our reporting channels.
- George's conduct **breached our Code of Conduct**.
 - **ABB has zero tolerance for sexual harassment.** Unwanted sexual compliments or unwanted flirting are sexual harassment.
 - Our standards of behavior apply to social events outside the office that our employees attend, whether organized by ABB or informally.
 - If you have observed or been subjected to harassment, please promptly let someone know through one of our reporting channels.
- In similar situations, employees who behaved like George have been required to participate in additional training or received disciplinary action, including in some cases termination.

Need help?

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How we drive high awareness

Regular communications to complement learning

Integrity communications

ABB utilizes multiple communication channels to raise integrity awareness, including:

- **Straight Talks:** articles that are regularly published on real-life ABB cases of consequence, integrity updates and FAQs
- **Integrity on the Business Agenda (IOTBA):** a Group-wide quarterly messaging focus on integrity topics; managers use the IOTBA to raise awareness and foster an environment where employees discuss integrity
- **helpline poster campaigns** at all ABB sites around the world promoting the integrity reporting channels, including brochures
- risk-based awareness campaigns to targeted audiences including on ABAC topics; and
- multi-channel communication (Yammer/Viva Engage messages, videos, podcasts, microsites)



How we address misconduct

Multiple reporting channels

Reporting channels

- Employees are encouraged to speak up and report integrity and compliance concerns and to seek guidance, through:
 - their manager,
 - human resources,
 - any member of the Legal & Integrity team, or
 - the Business Ethics Helpline, web or phone
- All such concerns are vetted and addressed
- ABB enforces a rigorous non-retaliation policy

ABB Business Ethics Helpline

- Available for employees or external stakeholders to report integrity and compliance concerns or seek guidance
- Available 24/7, in over 150 languages
 - Toll-free calls taken by an independent provider
 - Web-based reporting also available
- Reports treated with appropriate confidentiality and reporters can choose to remain anonymous (consistent with applicable laws)

**ABB Reporting Channels with
Business Ethics Helpline**

How we address misconduct

Investigating and remediating integrity concerns



MANAGEMENT

- Categorization**
 - Case categories and severity levels assigned at triage, dictating matter priority
- Allocation**
 - Case assignment based on type and severity, leveraging expansive investigator pool
- Accountability**
 - BAs accountable for handling assigned behavioral and lower-risk portfolios subject to Investigations Governance Model

HANDLING

- Hands-on**
 - Lead investigator ownership, with senior supervision at key investigative junctures
- Efficient**
 - Global eDiscovery tools
 - Dedicated business analytics resources
- Consistent**
 - Mandatory investigative practices training
 - Standard templates for investigative output

MONITORING

- Visible**
 - Broad-based case dashboards access, with access to real-time and quarterly trends/metrics
- Transparent**
 - Straight Talk site communicating integrity risks and successes for business learning
- Dynamic**
 - Severity level and relative risk ranking modifications as cases progress

RESOLUTION

- Timely**
 - Case closure KPIs
 - Active portfolio oversight
- Comprehensive**
 - Inclusive Disciplinary Committee participation
 - Internal Controls root cause/remediation collaboration
- Fair**
 - Accountability framework governing discipline recommendations/decisions

How we address misconduct

Employee discipline system, with protection for whistleblowers

- ABB investigates all potential integrity or compliance concerns and cooperates fully with law enforcement agencies
- ABB's [Whistleblower Protection Statement](#) affirms and provides further information relating to ABB's commitment to maintaining a culture in which all ABB stakeholders, within or outside the organization, feel comfortable to report concerns in good faith
- A systematic approach to determining and executing disciplinary actions is applied to all substantiated integrity violations to ensure consistency in outcomes and accountability
 - Disciplinary Committee participation is determined by the severity of risk and includes management to ensure accountability and engagement
 - A standard discipline matrix is accompanied by aggravating and mitigating factor analysis
 - The Integrity team has oversight of all recommendations and decisions

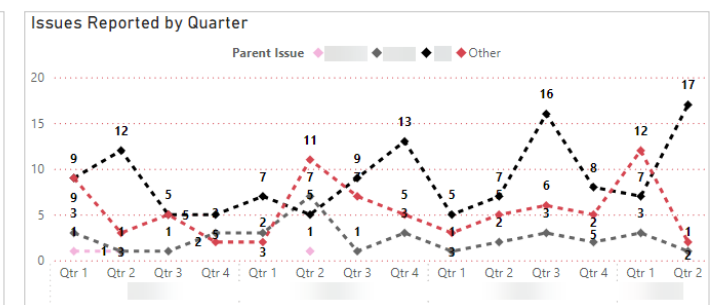
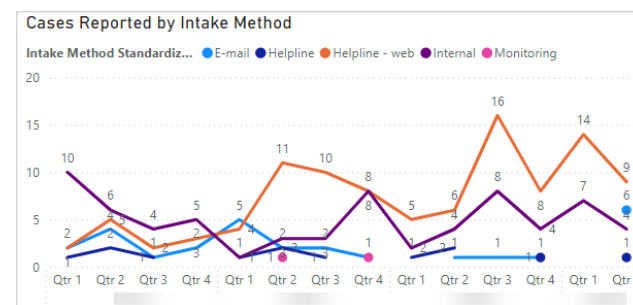
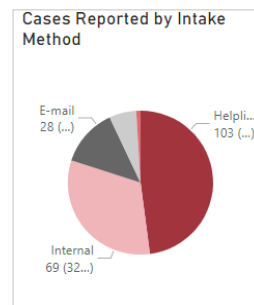
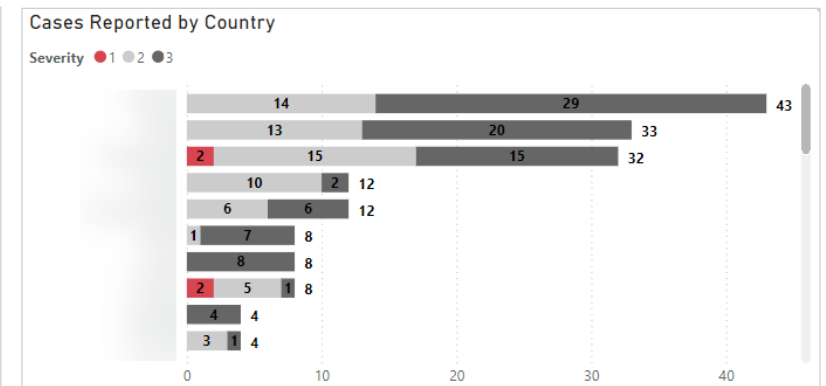
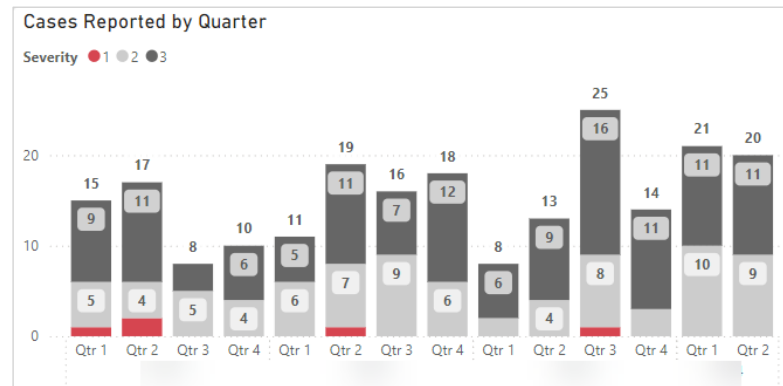


How we verify – monitoring and testing activities

Leveraging analytics to advance risk identification and detection

Real-time and continuous monitoring tools and testing activities

- **Case analytics dashboards** are widely available to business and control functions at the click of a button, to continuously and regularly assess potential risk areas or trends and monitor and manage our integrity investigations case portfolio
- To detect possible non-compliance, an **integrity continuous monitoring platform** is in use and is regularly enhanced



How we verify – monitoring and testing activities

Leveraging analytics in partnership with other stakeholders



Analytics-driven partnerships

- Collaborative agreement with Internal Audit on an annual basis regarding integrity testing targets, scope and focal areas, driven by an iterative process based on risk areas identified by Integrity and Business Analytics
- Constant feedback loop regarding Internal Audit operational audits, which incorporate integrity risk
- Development and support by Integrity and Business Analytics of anti-bribery and anti-corruption controls testing execution strategy for partner stakeholders, including global process owners, policy owners and Legal & Integrity team members



Anti-fraud program

- **Integrity-led annual fraud risk assessment** of program elements and response plans for enhanced insight assessment, risk mitigation and prevention monitoring
- **Cross-functional stakeholders** include Integrity, Internal Audit, Assurance Risk and Internal Controls (ARIC) and Business Area Internal Controls
- Inputs include:
 - Insights derived from real-time and continuous monitoring dashboard
 - Insights derived from specific case outcomes
 - External risk trends

How we monitor risk exposure and integrity engagement

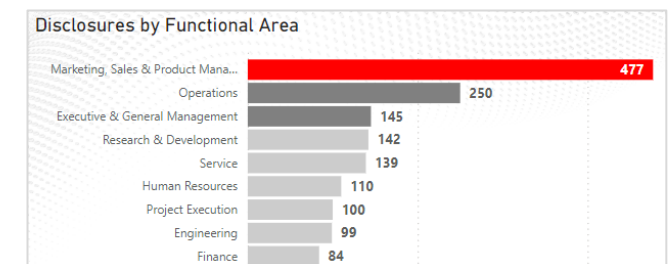
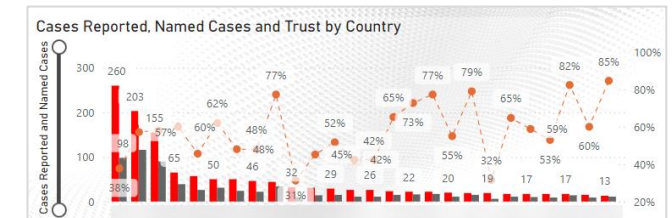
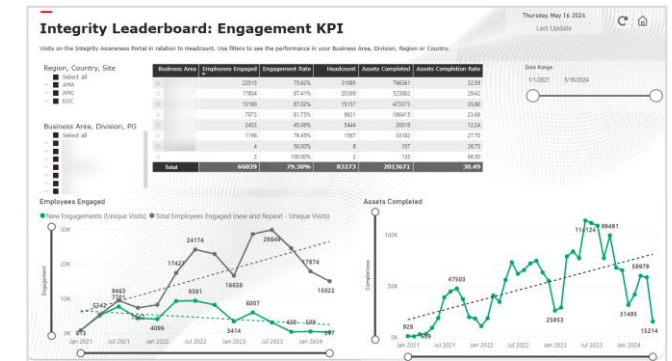
Leveraging analytics to advance risk identification and detection

Engagement and integrity risk and culture surveys

- To understand employee behavior, awareness and perceptions of integrity and compliance at ABB, and to monitor progress and address potential gaps in ABB's culture of integrity

Metrics of integrity program derived insights

- Regular collection and monitoring of metrics associated with the organization's **trust, engagement** and **transparency** to test the effectiveness of campaigns and initiatives, including tracking:
 - The rate of severity 1 and 2 investigations where the reporter discloses their identity – reflecting trust in the reporting system and the integrity program
 - Completion of Integrity Awareness Portal training globally and by business area, country, region and function
 - The volume of conflicts of interest in total and percentage by category (potential or actual conflict)



ABB