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# **US Government Supplement to the ABB Code of Conduct**



# Commitment to Integrity

ABB is a responsible and reputable US government contractor and subcontractor. We are committed to conducting our US government contracting obligations ethically, in a manner that complies with all applicable laws and regulations.

## Table of contents

5	<b>US Government Supplement to the ABB Code of Conduct ("the Supplement")</b>
5	Commitment to integrity and compliance with all applicable laws and regulations
6	Where this Supplement applies
7	Our policy
8	<b>Working with US government customers</b>
8	We diligently prepare proposals, representations, and certifications for US government work.
8	We submit current, accurate, and complete cost or pricing data to the US government.
9	We establish effective processes to comply with US government contract obligations.
9	We keep all records in accordance with applicable laws.
10	<b>Business ethics and conduct</b>
10	We comply with the anti-corruption laws that govern our operations in the countries where we do business.
11	We strictly adhere to all antitrust laws.
11	We will not seek or obtain competitors' non-public proprietary information or US government-sensitive information relating to a procurement.
11	We seek to understand and support ethical standards governing US government officials and employees.
11	We do not give, offer, or promise anything of value to US government officials or employees.
12	We do not make improper "contingent payments" to obtain US federal government business.
13	We do not submit unrealistic bids on US government contracts.
13	We understand violations of federal criminal law require mandatory disclosure.
13	We do not solicit or accept kickbacks from subcontractors and suppliers, nor prevent them from selling directly to the US government.



14	<b>Subcontracting</b>
14	We flow down appropriate requirements in contracts to subcontractors and suppliers where required by law, and where necessary to fulfill our obligations.
14	We are committed to creating opportunities for small businesses, women-owned businesses, minority-businesses, and veteran-owned businesses.
14	We do not do business with excluded subcontractors.
14	We do not solicit or accept kickbacks from subcontractors and suppliers, nor prevent them from selling directly to the US government.
15	<b>Avoiding and mitigating conflicts of interest</b>
15	We take appropriate steps to recognize and avoid organizational conflicts of interest.
15	We take appropriate steps to prevent personal conflicts of interest.
16	<b>Post-US government employment ethics restrictions</b>
16	We follow all restrictions concerning employment discussions with current and former US federal government employees.
16	We observe “revolving-door” and Procurement Integrity Act restrictions applicable to former US federal government personnel.
17	<b>Political contributions and lobbying</b>
17	We comply with all lobbying registration and reporting requirements.
17	We do not prohibit personal political contributions and activities, but preapproval is required where ‘Pay-to-play’ laws apply.
18	<b>Labor and employment</b>
18	We pay prevailing wages and benefits when required by law or contract.
18	We take the Prohibition on Human Trafficking, Forced Labor, and Child Labor regulations seriously.
18	We have a zero tolerance policy for discrimination or harassment.
18	We provide an environment free from prohibited drugs.
19	<b>Intellectual property and security</b>
19	We understand that unique rules apply to data and information provided or created while working for the US federal government.
19	We protect US government and private sector information that must not be disclosed per applicable laws, regulations and US government policies.
20	<b>Domestic sourcing restrictions</b>
20	We only deliver products and services that meet the US government’s country of origin, domestic preference restrictions, and never from prohibited sources.
21	<b>How to raise a concern</b>

# US Government Supplement to the ABB Code of Conduct ("the Supplement")

## Commitment to integrity and compliance with all applicable laws and regulations

ABB is a responsible and reputable US government contractor and subcontractor. We are committed to conducting our US government contracting obligations ethically, in a manner that complies with all applicable laws and regulations.

Doing business with US federal, state, and local governments is different from doing business with commercial clients, and we must adhere to unique business and ethical standards when doing business with these US government customers.

This Supplement aims to identify ethics and compliance issues that are unique to US government customers to ensure compliance and to provide guidance on when and how to seek assistance where necessary.

While this Supplement focuses on US federal government customer requirements, ABB also works with many US state and municipal governments, and government-owned or controlled customers. Doing business with US government customers is complex, and no one ABB policy or procedure can anticipate all requirements or contingencies.



Where this Supplement applies

This Supplement applies to all of ABB’s employees, managers, officers and directors, and employees of ABB subsidiaries and controlled affiliates who interact in any manner with US government officials and those employees involved with US government contracting. This includes those participating in business development, bidding, and performance or administration of any US government prime contract or subcontract are expected to follow this Supplement.

We also expect anyone providing goods or services for ABB or acting on behalf of ABB on a US government opportunity or contract such as consultants, sales representatives, distributors, and suppliers to hold themselves to equally high standards as well as those set forth in the ABB Supplier Code of Conduct.

US government officials and employees are broadly defined and include all elected or appointed officials, candidates for political office, officials in political parties, or anyone acting on behalf of a US government or public international organization (such as the United Nations, World Bank).

All individuals employed by a US government entity should be considered public officials regardless of rank or position or level. US government officials include individuals at all levels of government in the US, including local, municipal, regional, state, and federal officials.

**This Supplement complements the policies and guidelines within the ABB Code of Conduct.** All ABB employees involved with US government contracting shall understand and abide by all materials contained in the ABB Code of Conduct, including but not limited to the section entitled “Working with Governments.” In the event any conflicts between this Supplement and the ABB Code of Conduct arise, this Supplement takes precedence.

Everyone at ABB is responsible for understanding the contents of this Supplement and performing their work in accordance with its requirements.

Failure to abide by ABB’s Code of Conduct and this Supplement may result in disciplinary action, up to and including termination, where allowed by law for employees, and assessment of costs or damages, termination of a contract, suspension or debarment from US government contracting, or civil and criminal penalties for the company.

If you have any questions, please refer to the helpful resources on the internal websites:

<https://go.insideplus.abb.com/corporate-functions/legal-and-integrity/integrity/policies-and-procedures/code-of-conduct>

<https://go.insideplus.abb.com/us/us-functions/usabb-government-business>

or contact your manager, the ABB US Government Compliance team, or the US ABB Legal & Integrity team.

Our policy

1

We follow the highest ethical standards in conducting business with US government officials and employees.

2

We are transparent, truthful, and accurate when dealing with US government officials and employees.

3

We identify US government business as any business opportunity or award that involves a US government entity or is funded, in whole or in part, by a US government entity.

4

We commit to identify and strictly comply with all applicable contract terms and conditions, laws and regulations.

5

We maintain controls and procedures required by our US government business activities to ensure compliance in this highly-regulated environment.

6

We promptly report integrity concerns through any of the available reporting channels.



# Working with US government customers

**We diligently prepare proposals, representations, and certifications for US government work.**

The US federal government relies on everything we, and our subcontractors and suppliers, say and do, and in some cases what we don't say or do.

Bids or proposals for US government contracts require offerors to complete annual representations and certifications in the System for Award Management (SAM) or to our customers who perform US government contracts. Additional certifications are required during the contract administration and payment processes.

Accordingly, we carefully understand precisely what the US government requires and prepare proposals, bids, and engage in contract negotiations for current or prospective US government customers, ensuring that all statements, communications, and representations and certifications are accurate and truthful. We focus on the substance of our capabilities and delivery expertise, and we limit marketing claims to factual matters. We ensure ABB and our suppliers and subcontractors are committed to fully comply with every contract requirement before submitting a proposal or bid.

Making false statements or false claims also may result in civil fraud or criminal charges against ABB, its subsidiaries and controlled affiliates and individual employees.

We follow rules applicable to US government competitions and compete fairly and ethically for all business opportunities. We understand that the competitive process for US government business is more restricted than that of commercial work.

**Reference**

- ABB Code of Conduct – Working with Governments
- Competition in Contracting Act (CICA) – (10 U.S.C. §2305(b) and 41 U.S.C. § 253b(d), implemented at FAR Part 6)
- False Claims Act, 31 USC. §§ 3729-3733
- FAR Subpart 9.409 – Contract clause
- ABB US Government Contracting Procedure: Representations, Certifications, and False Claims

**We submit current, accurate, and complete cost or pricing data to the US government.**

US government contracting officers have an obligation to determine that prices are “fair and reasonable” when purchasing supplies and services. In certain circumstances, they may ask us to provide cost and pricing information, including certifying that the information provided is current, accurate and complete. We take submitting information and this certification requirement very seriously and allow only authorized ABB employees to sign a Certificate of Current Cost or Pricing Data and only after all required personnel have reviewed and approved.

**References**

- ABB Code of Conduct – Working with Governments
- FAR Subpart 15.4 – Contract Pricing



**We establish effective processes to comply with US government contract obligations.**

We understand that certain regulations apply, even if not expressly stated in the contract. We will not substitute a different product or service without appropriate US government approvals. We flow down appropriate requirements in contracts to subcontractors and suppliers where required by law, and where necessary to fulfill our obligations.

We understand the US federal government's and other US government entities' requirements that contractors and subcontractors implement unique business processes and systems so that these governments have adequate visibility into our internal controls in connection with contractor cost, pricing, and other responsibilities. We will not submit a bid or proposal if our business has not implemented the appropriate process or system.

When applicable, we implement US government cost and pricing methods. Federal US government contract cost principles set forth in FAR Part 31 Contract Cost Principles and Procedures allow ABB to charge and recover an incurred cost that is reasonable, allocable and allowable:

- **We segregate allowable from unallowable costs,** and we do not invoice the US federal government for, or include in our indirect cost rates, “unallowable” costs, including advertising, lobbying, and fines and penalties. We stay within

US federal government guidelines for reimbursement of travel. If we discover that a customer has been incorrectly billed or if the government has overpaid, we immediately report and correct it.

- **We record all time on a daily basis, accurately and completely.** All employees are responsible for ensuring that labor and material costs are accurately recorded and charged on our records. We record all expenses accurately and completely, on a timely basis. Misrepresenting facts or falsifying records is strictly prohibited.

- **We understand our obligations to protect, preserve, inventory, and track US government property** that is within our custody and control, including “contractor-acquired” government property. We dispose of or return it appropriately at the end of the contract.

- **We submit accurate invoices and promptly correct inadvertent errors** disclosing credible evidence of a significant overpayment, and when appropriate remit the overpayment amount to the US Government. If you believe ABB received an overpayment contact the ABB US Government Compliance team.

**References**

- ABB Code of Conduct – Record Keeping, Controllershship and Money Laundering Prevention
- ABB Code of Conduct – Working with Governments
- FAR 52.212-4(i), 52.232-25(d), 52.232-26(c), and 52.232-27(l) – Overpayments
- FAR Subpart 16.6 – Time-and-Materials, Labor-Hour, and Letter Contracts
- FAR Subpart 45.107 – Government Property
- FAR 52.245-1 – Government Property
- FAR 3.1003(a)(3) – Requirements

**We keep all records in accordance with applicable laws.**

ABB also maintains records in accordance with its obligations under federal, state, and municipal laws, as well as ABB's document retention policy. By contracting with the US government, we have agreed that the government may examine certain corporate financial records and cost data and other documents related to performance of a contract. When the US government requests to audit our contracts and the associated records, we refer the matter to the US ABB Legal and Integrity team and ABB US Government Compliance team to fully comply with valid requests.

**References**

- Corporate Function Legal & Integrity – Records Management Procedure
- US ABB Records Retention Policy and Schedule
- FAR Subpart 4.7 – Contractor Records Retention
- FAR Subpart 31 – Contract Cost Principles and Procedures



# Business ethics and conduct

**We comply with the anti-corruption laws that govern our operations in the countries where we do business.**

The ABB Group of companies operates in more than 100 countries and is required to comply with the anti-bribery and anti-corruption laws and regulations of all countries in which ABB conducts business.

This includes the US Foreign Corrupt Practices Act (FCPA). Under the FCPA, it is illegal for US persons (including US companies and their subsidiaries, di-

rectors, officers, employees and agents) to bribe foreign public officials. ABB personnel or anyone acting on behalf of ABB are prohibited from directly or indirectly making, promising, authorizing or offering “anything of value” on behalf of ABB to a “foreign government official,” to secure an improper advantage, obtain or retain business or direct business to any other person or entity. This prohibition includes payments to third parties knowing that the third party will use any part of the payment for bribes. ABB personnel or anyone acting on behalf of ABB are also prohibited from accepting any bribes.

- References:**
- ABB Code of Conduct – Working with Governments
  - ABB Code of Conduct – Ethical Conduct, Anti-bribery and Anti-corruption
  - Corporate Function Finance – Global Travel & Expense Policy
  - ABB US Government Contracting Standard and Procedure: Gifts and Gratuities to US Government Employees



**We strictly adhere to all antitrust laws.**

Practices that eliminate competition or restrain trade may lead to excessive prices and may warrant criminal, civil, or administrative actions against ABB and individuals. Examples of anticompetitive practices are collusive bidding, follow-the-leader pricing, rotated low bids, collusive price estimating systems, and sharing of business.

We are committed to compete fairly in every market. This includes compliance with US Federal antitrust laws, which are designed to ensure that markets operate competitively for the benefit of consumers.

- References:**
- ABB US Government Contracting Procedure: Antitrust
  - FAR Subpart 3.3 – Reports of Suspected Antitrust Violations

**We will not seek or obtain competitors’ non-public proprietary information or US government-sensitive information relating to a procurement.**

Federal law prohibits seeking or obtaining nonpublic information from the US government, which may provide an unfair competitive advantage. This information includes contractor bid and proposal information and source selection information.

Contractor bid or proposal information includes: any non-public information related to cost or pricing or methods for developing cost or pricing, any information about proprietary processes or business strategy, and any documents marked “bid or proposal information.” Source selection sensitive information includes any documents that reflect the US government’s source selection and technical evaluation plans, the US government’s evaluation of proposals, the US government’s competitive range determinations, rankings of bidders, or recommendations for award, and documents that are marked “source selection information” or contain a similar legend.

**We do not tolerate possessing unauthorized protected information.** We also must properly safeguard this information from unauthorized disclosure. If such information inadvertently comes into our possession, we isolate and secure it to prevent further distribution, and immediately contact the ABB US Government Compliance team and the US ABB Legal & Integrity team.

- References**
- Procurement Integrity Act (41 U.S.C. §423, implemented at FAR 3.104)
  - ABB US Government Contracting Standard and Procedure Procurement Integrity Act

**We seek to understand and support ethical standards governing US government officials and employees.**

Public service is a public trust. The US federal government and most state and local governments in the US government-owned or -controlled customers have their own ethical standards for their employees.

At the federal level, for example, employees of executive agencies are prohibited from soliciting or accepting gifts from anyone seeking business with, or official action by, an employee’s agency and anyone substantially affected by the employee’s duties, which includes a company bidding for an agency contract.

We understand that US government officials and employees are subject to strict ethical standards, and we strive to understand those rules and support our US government customers’ compliance with their ethical standards. We do not rely on individual US government officials or employees to tell us the rules; we seek to understand them ourselves.

- Reference**
- 5 C.F.R. Part 2635 – Standards of Ethical Conduct for Employees of the Executive Branch

**We do not give, offer, or promise anything of value to US government officials or employees.**

In ABB’s commercial business, it is standard practice to offer or receive social amenities or exchange business courtesies to foster goodwill and enhance business relationships.

However, when dealing with US government officials and employees, entertainment practices that may be acceptable in a purely commercial setting may be unacceptable or even against the law.



US federal, states and many local government criminal statutes prohibit giving, offering, or promising money or anything of value, directly or indirectly, to a US government official or employee in order to influence an official act, or for or because of an official act, including to obtain a prime contract or subcontract or to obtain favorable treatment under a US government contract. "Items of value" can include money, gifts, meals, favors, in-kind use of company resources, transportation, or entertainment. These statutes carry severe penalties including fines and imprisonment.

**As a general matter, we do not, directly or indirectly, give, offer, or promise anything of value** (for example, entertainment, meals, refreshments, gratuities or gifts, or attendance at ABB-sponsored events) to any US government official or employee, however innocent the purpose. Further, if a US government official or employee approaches ABB about employment for a friend or relative, the offer of such employment could be considered not only a gift, but a bribe.

Applicable laws may permit providing small courtesies of nominal value in specific situations. Consult the US ABB Legal & Integrity team prior to offering anything of value to a US government official or employee.

- References:**
- ABB Code of Conduct – Working with Governments
  - ABB US Government Contracting Standard and Procedure: Anti-bribery and Anti-corruption
  - ABB US Government Contracting Standard and Procedure: Prohibition on Gifts and Gratuities to US Government Employees
  - FAR Subpart 3.2 – Contractor Gratuities to Government Personnel
  - FAR Subpart 3.5 – Other Improper Business Practices
  - FAR 52.203-3 – Gratuities

**We do not make improper “contingent payments” to obtain US federal government business.**

Federal regulations restrict contractors from making arrangements to pay contingent fees for soliciting or obtaining US government contracts because they may lead to attempted or actual exercise of improper influence.

Contingent fees include commissions, percentages, brokerages, or other fees that are contingent upon the success that a person or concern has in securing a US government contract.

If US government personnel suspect a violation of this restriction, entitled the Covenant Against Contingent Fees, they may reject the bid or proposal and awarded contract or recover the fee.

There is a limited exception for bona fide agencies or sales agents whom solicit or obtain US government contracts on behalf of ABB. Agreements with these parties may only be made following review and approval by the US ABB Legal & Integrity team.

- References:**
- ABB Code of Conduct – Ethical Conduct, Anti-bribery and Anti-corruption
  - ABB Code of Conduct – Working with Governments
  - FAR Subpart 3.4 – Contingent Fees
  - FAR 52.203-5 – Covenant Against Contingent Fees



**We do not submit unrealistic bids on US government contracts.**

We will not submit an offer below anticipated costs expecting to increase the amount after award through excessively priced change orders or to receive follow-on contracts at artificially high prices. We seek guidance from ABB’s Finance and the ABB US Government Compliance team whenever our bid or contract modification is subject to US government cost and pricing information requirements.

- Reference:**
- FAR Subpart 3.501 – Buying-in

**We understand violations of federal criminal law require mandatory disclosure.**

ABB may be subject to suspension or debarment for a knowing failure to timely disclose credible evidence of a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations, or a violation of the civil False Claims Act, or a significant overpayment. If you suspect a possible violation of any federal criminal law you can raise your concerns by contacting any of the resources provided at the end of this Supplement.

- References:**
- FAR 52.203-13 – Contractor Code of Business Ethics and Conduct
  - ABB Code of Conduct – Conflicts of Interest
  - ABB US Government Contracting Standard and Procedure: Representations, Certifications, and False Claims Act Requirements



# Subcontracting

**We flow down appropriate requirements in contracts to subcontractors and suppliers where required by law, and where necessary to fulfill our obligations.**

The Federal Acquisition Regulation and agency supplements require contractors to “flow down” certain provisions in subcontracts or purchase orders. Other provisions do not expressly require a flow down, but because of the special requirements in those provisions, ABB must require its subcontractors or vendors supporting contracts or grants to meet the same or similar requirements in order for ABB to comply with its contractual obligations.

- References**
- FAR 52.244-2 – Subcontracts.

**We are committed to creating opportunities for small businesses, women-owned businesses, minority-businesses, and veteran-owned businesses.**

The US federal government requires that we provide subcontract business opportunities for small business, including those owned by women, minorities and certain military veterans. When applicable, we are dedicated to setting ambitious yet realistic small business subcontracting goals, and we endeavor in good faith to meet those goals.

- Reference:**
- FAR Subpart 19.708(a) – Utilization of Small Business Concerns
  - FAR 52.219-8 – Utilization of Small Business Concerns

**We do not do business with excluded subcontractors.**

The US government prohibits ABB from entering into any subcontract with a contractor that has been suspended, debarred, or proposed for debarment unless there is a compelling reason to do so. ABB’s contracting must not include companies or individuals that have been declared ineligible to receive or performed work under federal contracts, subcontracts, or grants. We

check the US government System for Award Management to verify that no potential subcontractor is ineligible to participate in US government contracts, or otherwise require the subcontractor to disclose in writing that it is not ineligible, prior to committing to use that subcontractor and before issuing a subcontract or purchase order.

- Reference:**
- FAR 52.209-6 – Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

**We do not solicit or accept kickbacks from subcontractors and suppliers, nor prevent them from selling directly to the US government.**

We understand that doing business with the government requires extra diligence to ensure our purchasing practices are fair and free of impropriety, nor do we unreasonably preclude subcontractors from making direct sales to the government of any supplies or services. We enter into subcontracts and supply agreements based on merit and do not accept kickbacks in any form, including contingency fees, gratuities, commissions, rebates or discounts, that are made for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract, or in connection with a subcontract relating to a prime contract. If we suspect that a subcontractor or supplier payment could constitute a kickback, contact the ABB US Government Compliance team and US ABB Legal & Integrity team or follow any of the reporting methods outlined at the end of this Supplement.

- References:**
- Anti-Kickback Act (18 U.S.C. § 874)
  - FAR Subpart 3.502-2 – Subcontractor kickbacks
  - ABB Code of Conduct – Ethical Conduct, Anti-bribery and Anti-corruption
  - ABB Code of Conduct – Working With Governments

# Avoiding and mitigating conflicts of interest

**We take appropriate steps to recognize and avoid organizational conflicts of interest.**

US agencies must analyze planned acquisitions to identify potential organizational conflicts of interest (“OCIs”) early in the acquisition process and avoid, neutralize, or mitigate significant potential conflicts before contract award.

We each must ensure that ABB does not have any actual or apparent OCIs in connection with ABB’s performance of US government contracts.

An OCI may arise if ABB is unable or potentially unable to render impartial assistance, service or advice to the US government because the objectivity of ABB or its employees is impaired or ABB has an unfair competitive advantage. These types of conflicts may prevent ABB from participating in a US government contract and can arise if:

(1) ABB or an ABB employee participates in the development of a statement of work for a procurement on which ABB intends to compete (excluding circumstances in which the US government seeks industry comment or participation);

(2) A statement of work requires ABB to evaluate or assess work performed by ABB or its partners on a US government contract; or

(3) ABB gains access to non-public proprietary information from its performance of a US government contract that may give ABB an unfair business advantage in another procurement (and excluding traditional incumbent advantages).

OCIs can be difficult to identify. If you suspect a potential conflict of interest, you must notify the ABB US Government Compliance team and US ABB Legal & Integrity team or follow any of the reporting methods outlined at the end of this Supplement, or to implement an OCI mitigation program as soon as possible. Early identification is key to mitigating (where possible) the potentially harmful effects of OCIs.

**We take appropriate steps to prevent personal conflicts of interest.**

These sources of personal conflicts of interest may include any situation in which an employee has a financial interest, personal activity, or relationship that could impair their ability to act impartially and in the best interest of the US government when ABB is performing work under US government contracts. Accordingly, you must disclose any potential personal conflict of interest through the ABB Integrity Gateway.

- References:**
- ABB Code of Conduct – Conflicts of Interest
  - ABB Integrity Gateway – Disclose a Potential Conflict of Interest
  - ABB Corporate Function Legal and Integrity, who oversees and manages the ABB Integrity program Procedure
  - ABB Ltd Board Regulations and Governance Rules
  - FAR Subpart 9.5 – Organizational and Consultant Conflicts of Interest
  - FAR Subpart 3.11 – Preventing Personal Conflicts of Interest for Contractor Employees Performing Acquisition Functions
  - FAR 52.203-1 – Preventing Personal Conflicts of Interest
  - 5 C.F.R. Part 2635, Subpart B – Standards Of ethical conduct for employees of the executive branch



## Post-US government employment ethics restrictions

### **We follow all restrictions concerning employment discussions with current and former US federal government employees.**

US executive branch employees are prohibited from working on matters if the employee is seeking employment with a person or organization affected by that matter. Seeking employment includes actual negotiations for employment, contacts by a prospective employer about possible employment, or contacts by the employee with prospective employers about employment.

We will not engage in employment discussions with a current US government official or employee while that employee is participating in any matter relating to ABB.

Given the complexities and risks in this area, we must consult with US ABB Human Resources, ABB US Government Compliance team and US ABB Legal & Integrity team before entering into any employment discussions with any US government employee.

### **We observe “revolving-door” and Procurement Integrity Act restrictions applicable to former US federal government personnel.**

“Revolving-door” restrictions place limits on US federal officials or employees’ post-government activities, and the Procurement Integrity Act prohibits some former US federal government officials or employees from receiving any compensation from a contractor for a period of time after they leave the US federal government.

Because “revolving-door” and Procurement

Integrity Act restrictions are complex, we, including former US federal government personnel and those with whom they work, must coordinate with US ABB Human Resources, the US ABB Legal & Integrity team, and the US ABB Government Contracts team to determine applicable restrictions. Further, ABB employees involved in employment discussions with current and former US federal government officials or employees are expected to know that certain limitations may apply to the activities the employee would be able to perform if they joined ABB.

#### **References:**

- ABB Code of Conduct – Working With Governments
- Procurement Integrity Act (41 U.S.C. §§ 2101-07, implemented at FAR Subpart 3.104)
- ABB US Government Contracting Standard and Procedure: Hiring Former Government Employees



## Political contributions and lobbying

### **We comply with all lobbying registration and reporting requirements.**

Contacts with US government personnel for the purpose of influencing legislation, regulations, or decision-making may constitute lobbying, which triggers extensive registration and disclosure requirements. If an ABB employee or a retained consultant or someone working on ABB’s behalf, like a contractor or subcontractor, communicates with any US government official or the official’s staff to influence the approval, modification or rejection of any US government policy, rule or legislation on behalf of ABB, that person may be obligated to register as a lobbyist or comply with other regulations.

ABB’s US Government Relations and Public Affairs team coordinates ABB’s activities with US government officials and policy makers in compliance with applicable laws.

Accordingly, we will not communicate with US government officials regarding ABB-related policy matters or otherwise claim to represent ABB with policy makers except as authorized or directed by the US Government Relations and Public Affairs team.

#### **Reference:**

- ABB Code of Conduct – Working with Governments
- ABB Corporate Regulation (CRGR-01) Government Relations and Public Affairs

### **We do not prohibit personal political contributions and activities, but preapproval is required where ‘Pay-to-play’ laws apply.**

Although US federal law prohibits contractors like ABB from contributing to political candidates and parties, individual employees may participate in the political process provided these activities are not conducted on behalf of ABB or using ABB funds and resources. US state and local pay-to-play laws restrict or prohibit businesses, as well as their officers, directors, and in many cases their sales employees and their managers, as well as their immediate family members, from making political contributions (the “pay”) if they have been awarded or are seeking to obtain government contracts (the “play”). Pay-to-play laws have been adopted by approximately 20 US states and dozens of major municipalities, and numerous cities and counties.

We respect the integrity of the political process and encourage employees to be responsible citizens who participate in civic and political activities, provided their activities comply with applicable US state and local government “Pay-to-play” laws. To protect ABB employees’ ability to make political contributions, we seek review and pre-approval from the ABB US Government Compliance team and US ABB Legal & Integrity team prior to offering a personal political contribution to candidates in any US jurisdiction having a Pay-to-play law.

#### **Reference:**

- ABB Code of Conduct – Working with Governments
- ABB Corporate Regulation (CRGR-01) Government Relations and Public Affairs

# Labor and employment

## We pay prevailing wages and benefits when required by law or contract.

Many US federal government contracts require that certain employees are paid not less than hourly wages and benefits prescribed for the classification of work performed. We identify when these requirements apply to an ABB contract and strictly adhere to properly classifying employees, ensuring payment of prevailing wages and benefits, and submitting accurate payroll records when applicable.

- Reference:**
- Davis Bacon Act / Construction Labor Standards (40 U.S.C. §§ 3141 et seq, implemented at FAR 52.222-6)
  - McNamara-O’Hara Service Contract Act / Service Contract Act (41 U.S.C. §§ 6701–6707 et seq, implemented at FAR 52.222-41)

## We take the Prohibition on Human Trafficking, Forced Labor, and Child Labor regulations seriously.

All ABB employees are prohibited from engaging in human-trafficking, forced labor, or child labor related activities at any time, regardless of whether such personnel are acting in their official capacities.

Prohibited conduct includes procuring commercial sex acts, using forced labor, using misleading or fraudulent recruiting practices, and using recruiters that do not comply with local labor laws in the country that the recruiting takes place. We recognize that proactive steps must be taken in certain circumstances and that disciplinary action, up to and including termination, may be applied against employees, agents, or subcontractors and suppliers that engage in human trafficking, forced labor, or child labor activities.

- References:**
- ABB Code of Conduct – Human Rights
  - ABB Corporate Regulation (CFHS-CP-01) – Health Safety, Environment and Sustainability Affairs (HSE/SA)
  - ABB Ltd – Modern Slavery Statement
  - ABB Human Rights Policy and Statement (abb.com)
  - US ABB Policy Combating Trafficking in Persons
  - FAR Subpart 22.17 – Combating Trafficking in Persons
  - FAR 52.222-50 – Combating Trafficking in Persons

## We have a zero tolerance policy for discrimination or harassment.

ABB does not discriminate or allow the harassment of employees or applicants on the basis of sex, marital status, citizenship, age, gender identity, gender expression, sexual orientation, race and ethnicity, inclusive of traits historically associated with race or ethnicity, including but not limited to hair texture and protective hairstyles, color, religious creed, national origin, pregnancy, physical or mental disability, genetic information, protected Veteran status, or any other characteristic protected by law with regard to any employment practices, including recruitment, advertising, job application procedures, hiring, upgrading, training, promotion, transfer, compensation, job assignments, benefits, and/or other terms, conditions, or privileges of employment, provided the individual is qualified, with or without reasonable accommodations, to perform the essential functions of the job. This policy applies to all jobs at the company. ABB is committed to maintaining a work environment that is free of physical, psychological, and verbal harassment or other abusive conduct.

- References:**
- FAR 52.222-26 – Equal Opportunity
  - Executive Order 11246 – Equal Employment Opportunity
  - FAR 52.222-21 – Prohibition of Segregated Facilities
  - FAR 52.222-25 – Affirmative Action Compliance
  - FAR 52.222-36 – Equal Opportunity for Workers with Disabilities
  - FAR 52.222-35 – Equal Opportunity for Veterans
  - FAR 52.222-37 – Employment Reports for Veterans
  - ABB Code of Conduct – Fair Employment, Inclusion and Respect in Our Workplace
  - ABB Handbook for Employees in the US and Puerto Rico

## We provide an environment free from prohibited drugs.

ABB is firmly committed to ensuring a safe, healthy, productive, and efficient work environment for our employees, as well as our customers, and the public in general. The unlawful presence of controlled substances in the workplace conflicts with these vital interests. Individuals who do not comply with this standard are subject to disciplinary action including termination if appropriate.

- References:**
- FAR 52.223-6 – Drug Free Workplace
  - ABB Drug Free Workplace Policy

# Intellectual property and security

## We understand that unique rules apply to data and information provided or created while working for the US federal government.

ABB possess vast amounts of know-how and confidential information that gives us a competitive edge in the marketplace, and we continually build upon an immensely valuable portfolio of intellectual property. We understand the US federal government, or other US government entities, may be entitled to unique intellectual property rights in inventions, including software, that its contractors provide or create while performing work under a US government contract or subcontract.

Therefore, we take appropriate actions to protect ABB’s information that we use and may deliver to the US government. Accordingly, we carefully assert and properly identify and mark ABB’s intellectual property, confidential or other proprietary rights in our proposals and mark proprietary materials submitted to the US government with appropriate restrictive legends found in the US Federal regulations.

- Reference:**
- ABB Code of Conduct – Intellectual Property and Confidential Information
  - ABB Corporate Regulation (CRLI-13) Intellectual Property
  - FAR 52.215-1(e) – Restriction on disclosure and use of data
  - FAR Subpart 15.607 – Limited use of data
  - FAR Subpart 27 – Patents, Data, and Copyrights

## We protect US government and private sector information that must not be disclosed per applicable laws, regulations and US government policies.

We understand that security is a imperative in everything that we do. We understand that we must protect both private sector and US government information that if lost, compromised, or improperly disclosed could have a negative or debilitating impact on national security, infrastructure, economy, public health, welfare, safety, environment, or individuals (collectively called “Controlled Unclassified Information” or “CUI”).

We ask questions about security protocols when we do not understand them. We implement controls and procedures to receive, store, process, and transmit this information to only those employees and third parties whom are adequately trained and have a lawful government purpose for access, and ensure this information is properly destroyed and/or returned when each recipient no longer has a need for it.

As ABB’s US operations are owned and controlled by a non-US entity, we follow established protocols to ensure proper Foreign ownership, control, or influence (FOCI) mitigation when required.

- References:**
- Executive Order 13556 of November 4, 2010 – Controlled Unclassified Information
  - 32 C.F.R Part 2002 – Controlled Unclassified Information (CUI)
  - FAR 52.204-21 – Basic Safeguarding of Covered Contractor Information Systems
  - DFARS 252.204-7012 – Safeguarding Covered Defense Information and Cyber Incident Reporting
  - National Industrial Security Program Operating Manual
  - ABB Code of Conduct – Intellectual Property and Confidential Information
  - ABB Code of Conduct – Information and Technology Security
  - ABB Corporate Regulation (CLI-13) Intellectual Property
  - ABB Corporate Regulation (CFIS-CP-02) Information Security
  - ABB End User Security Policy (9AAD125730)
  - ABB Controlled Unclassified Information Policy



# Domestic sourcing restrictions

**We only deliver products and services that meet the US government’s country of origin, domestic preference restrictions, and never from prohibited sources.**

The Buy American Act (BAA) imposes a price preference for the US government to buy products produced or manufactured in the United States. In many cases, these US products must also contain a minimum amount of US iron or steel, or domestic components. Under the Trade Agreements Act (TAA), products “wholly produced” or “substantially transformed” in “designated” foreign countries may receive the same price preference.

The Build America Buy America Act (BABA) requires products and materials used in the construction, alteration, or repair of US infrastructure are produced in the US and may require all iron or steel manufacturing processes occur in the US, or the products contain a minimum amount of domestic components.

Many of our contracts and subcontracts with US federal, state or local governments contain sourcing restrictions. When these limitations apply,

we only provide products and services that satisfy the applicable US requirements, or from permitted countries. We do not alter or remove the country of origin markings on products to be delivered to the US government.

We do not engage in business with individuals, entities or countries that are subject to economic sanctions by the US or that are banned by US law from selling into the US supply chain.

- References:**
- ABB Code of Conduct – Working with Governments
  - 41 U.S.C. §§ 8301-8305 Buy American
  - Section 165 (49 U.S.C. § 5323(j)) of the Surface Transportation Assistance Act (commonly called “Buy America”)
  - 1977 amendments to the Export Administration Act (EAA)
  - Ribicoff Amendment to the 1976 Tax Reform Act (TRA)
  - FAR 52.204-23 – Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities
  - FAR 52.204-25 – Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment
  - DFARS 252.225-7031 – Secondary Arab Boycott of Israel
  - FAR 52.225-12 – Restrictions on Certain Foreign Purchases
  - ABB Global Trade Compliance Procedure

# How to raise a concern

**US federal laws and regulations protect reporting possible violations of laws or regulations to a US governmental agency, regulatory body, or a local authority.** Consistent with these whistleblower protections, ABB will not condone or tolerate any adverse employment action taken against an employee who raises an integrity concern in good faith. Any employee who retaliates against another employee or contractor for raising an integrity concern or cooperating in an integrity investigation will be subject to discipline, up to and including termination of employment.

- References:**
- ABB Code of Conduct – Raising Integrity Concerns and Non-retaliation
  - ABB Code of Conduct – Your Responsibilities Under ABB’s Code of Conduct
  - ABB Corporate Function Legal and Integrity, who oversees and manages the ABB Integrity program Procedure
  - FAR 52.203-17 – Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
  - FAR Subpart 3.9 – Whistleblower Protections for Contractor Employees

If you become aware of possible violations of the Code of Conduct, the standards in this Supplement or any laws or regulations you can raise your concerns by:



Contacting your direct manager



Contacting your Human Resources Business Partner



Contacting the US ABB Legal & Integrity team



Calling the ABB North America Ethics hotline: (800) 922-6681 any time 24/7/365



Submitting online at: [abbgroup.ethicspoint.com](http://abbgroup.ethicspoint.com) or through the ABB Code of Conduct mobile app



Writing to or calling ABB Group Headquarters at: ABB Chief Integrity Officer at ABB Ltd, Affolternstrasse 44, 8050 Zürich, Switzerland or the ABB Business Ethics Hotline +41 43 317 3366.



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**ABB Asea Brown Boveri Ltd.**

Affolternstrasse 44  
8050 Zurich  
Switzerland

**[abb.com](http://abb.com)**