The Global ABB Integrity Program
www.abb.com/integrity
Integrity throughout the enterprise

ABB’s global Integrity Program and control areas

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<th>Commitment from senior and middle management</th>
<th>Code of Conduct and procedures</th>
<th>Oversight, autonomy and resources</th>
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<th>Training and communications</th>
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<td>The company has a culture of integrity and compliance beyond a paper program that is supported by senior and middle management.</td>
<td>The company has a Code as the foundation of the company’s overall integrity and compliance program, that articulates the company’s integrity expectations, as well as appropriate procedures, processes, and guidance.</td>
<td>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.</td>
<td>The company adequately analyzes and addresses the risks it faces specific to its industrial sector, size, geographic spread, business stakeholders, and regulations.</td>
<td>The company 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.</td>
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<th>Incentives and disciplinary measures</th>
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<td>The company consistently applies across all levels of seniority appropriate discipline for non-compliance with the company’s integrity program, with positive incentives aimed to drive compliant behavior.</td>
<td>The company 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.</td>
<td>The company performs risk-based substantive compliance due diligence prior to acquisition of an organization or formation of a JV, and risk-based integration of the transaction target or partnership into its integrity program, and/or designs adequate and risk-based controls.</td>
<td>The company’s employees and third parties may raise concerns of potential non-compliance, anonymously or otherwise, and company investigators adjudicate such concerns in a timely manner. The company conducts root cause analysis of substantiated integrity non-compliance and remediation.</td>
<td>The company consistently reviews the integrity program to identify opportunities for continuous improvement and tests the effectiveness of its processes.</td>
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How we drive strong enterprise culture
Leadership: Tone from the top

We are committed to fostering a culture where 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.

Björn Rosengren
Chief Executive Officer
How we drive strong enterprise culture
Foundations of ABB Way
How we drive strong enterprise culture

**ABB Way: Our Values**

### Courage

**At ABB, we:**
- Take care of our customers, our people and the environment
- Respect and value differences
- Do what is right and act with integrity

### Care

**At ABB, we:**
- Take action and manage consequences
- Speak up and ask for help
- Take calculated risks to create success

### Curiosity

**At ABB, we:**
- Believe there is always a better way
- Lead with technologies and innovations
- Learn from failures and successes

### Collaboration

**At ABB, we:**
- Believe smart people collaborate
- Build on each other’s strengths and success
- Partner with our customers

**Integrity**

- Courage through empowerment and accountability
- Care through respect and governance
- Curiosity through awareness and continuous improvement
- Collaboration through transparency
How we drive strong enterprise culture
ABB’s Sustainability strategy: Integrity and Transparency interwoven
How we drive strong enterprise culture

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.

• It 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.

Where to find the ABB Code of Conduct: QR Code and a link to view and download the PDF version are available on the following page:
https://global.abb/group/en/about/integrity/standards/abb-code-of-conduct
How we drive 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 ensure proper governance
Corporate Governance: at a glance

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 manage fraud and corruption risk

ABB’s approach to mitigating bribery, fraud and corruption risk

- **Bribery and corruption** is prohibited in all business dealings, whether with public officials or private sector business partners. As a rule, facilitation payments are not permitted.
- **Political and charitable contributions** are subject to detailed internal policy and controls.
- **Gifts, entertainment and expenses** policy define thresholds, approval processes and their documentation, with additional controls for public officials.
- **Conflicts of Interest** disclosed through an automated review and approval tool, accompanied by dedicated guidance creating awareness and accountability.
How we manage fraud and corruption risk

Conflicts of Interest program

Conflicts of Interest Procedure

• Our Code requires all employees to timely disclose any conflict of interest, and undisclosed conflicts are a breach for which employees are held accountable.

• ABB maintains an Integrity Gateway where employees can disclose and update potential conflicts of interest, and ABB can review and approve and track remediation.

• Employees are further supported with guidance, micro-learnings, and a dedicated micro-site to facilitate understanding of conflicts and the disclosure process.

“When do interests conflict?”
How we manage fraud and corruption risk
Tender Risk Review program

**Risk minded approach**

- Integrity risks are assessed along with commercial and other risks as part of the tendering process
- This review includes anti-bribery and corruption, antitrust, health, safety and environment (HSE), human rights, and trade risks, such as:
  - Country/Market
  - Third Parties
  - Customers
  - Interactions with Public Officials or Government Entities
  - Gift, Travel Expenses, and Hospitality
  - Local Content and Social Investment
- This critical business process assists in avoiding significant cost and delays to a project and major regulatory, financial, and reputational consequences for ABB and its employees
ABB Approach on Gifts, Entertainment & Expenses/Charitable Contributions

Legitimate and reasonable business entertainment only

**Gifts, Entertainment & Expenses / Charitable Contributions policy**

- Sets out the conditions under which Gifts, Entertainments & Expenses can be given or received, and under which conditions Charitable Contributions may be given
- Sets thresholds and approval processes
- Approval process documented in global web-based pre-approval tool
- Additional controls for public officials
  - Employees of government-owned or controlled companies are subject to public official definition
Risk preventive measurements
Trust is built through transparency and honesty

To be successful, we must build each stakeholder’s trust through the integrity of our words and our actions. ABB has committed to comply with all applicable anti-bribery and anti-corruption laws and regulations worldwide and follows the OECD Guidelines and standards for responsible business conduct.

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:

- **World Economic Forum’s Partnering Against Corruption Initiative (PACI)**
- **United Nations’ Global Compact**
- **Transparency International’s business principles for countering bribery**
- **Business Ethics Leadership Alliance**
  ABB is a member of organizations such as 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 competition risk
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, on restrictions in production of collective boycotts is illegal.

• Exchanging with, or signaling to, competitors any information on individualized intentions concerning future conduct regarding prices, quantities or other element of competitive behavior is illegal.

• You cannot obtain from, or share with, competitors 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).

• You cannot 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 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.

• ABB has implemented controls to mitigate risks related to trade and export controls, including appropriate screening of transactions that might involve embargoed or sanctioned countries, processes to facilitate compliance with export control restrictions, and systems and training to ensure accurate declarations to trade authorities.

An integrated global trade program framework
How we protect personal data
Our People, Technology and Operations protect personal data

People
ABB maintains a global privacy team, staffed by full-time privacy professionals, headed by the Group’s Data Protection Officer, who is based in the EU. The global privacy team is supported by our robust network of business and country representatives, as well as a global network of lawyers, and external resources, including software, web portals and other support tools. All ABB employees are trained in the basics of data privacy and more specialized training is provided for selected job functions. Employees must comply with our internal policies and procedures around privacy and information security. External suppliers have similar requirements.

Technology
ABB is a technology-oriented company known for its innovation. Privacy by design is an important feature of all of our projects, initiatives and products. Our Group has created and implemented our own in-house privacy management system which, among other things, handles data-related requests from individuals, maintains records of processing activities, and conducts privacy risk assessments. External services and suppliers enhance our knowledge base and capabilities.

Operations
ABB has privacy and security controls across its operations, subjecting them to continuous monitoring as well as periodic evaluations and assessments. We have implemented physical, technical and administrative controls across our Group.
How we manage third party risk
ABB approach on working with third parties

• Mandatory, substance-based due diligence prior to the appointment of ABB representatives, such as third-party agents

• Centralized, transparent approval process with appropriate controls over performance prior to any payments

• Agreements with subcontractors and consortium partners are aligned with ABB’s commitment to integrity in the performance of the contract, including commitments not to violate anti-bribery laws. Suppliers must also maintain integrity standards which are satisfactory to ABB and agree to the ABB Supplier Code of Conduct.
How we manage third party risk
Additional processes and controls

Review and Onboarding of Business Partners

- Substance-based, thorough due diligence prior to considering engagement
- All appointments are subject to a robust, structured approval process
- Standard agreement must be used that includes anti-bribery provisions, audit rights, right to terminate agreements for any violation
- Database supports agent appointments and controls during execution and prior to payment
- Maximum percentages for commissions are defined

Strong rules for appointment of representatives, such as third-party agencies
How we manage third party risk
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 of 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
  - Fair Labor Conditions
  - Health, Safety, and Environmental Management
  - Material Compliance and Conflict Minerals
  - Business Ethics
  - Secure Business
  - Procurement by Supplier
  - Inspections and Corrective Actions
  - Access to Remedy
How we manage M&A risks
Integrity in mergers & acquisitions

- ABB reviews all potential merger and acquisition targets 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.

- Post-close, ABB ensures proper integration of all new entities and employees into its Integrity program, including:
  - Anti-Bribery and Anti-Corruption
  - Antitrust
  - Antitrust
  - Trade
  - Human Rights
  - Data Security
How we keep awareness high
Ongoing integrity and compliance self-learning

• ABB is committed to providing all employees with access to the learnings and guidance necessary to ensure awareness and understanding of the Integrity Program

• New employees are introduced on Day 1 to ABB’s values and Code of Conduct, complete Integrity learnings during their first week, and make personal and public commitments to Integrity

• Employees and contractors can visit our Integrity Awareness Portal, which includes materials covering a range of Integrity topics in a variety of formats

• Learning programs include micro-learnings, bespoke content, short videos, ethical moments and other communications

• Employees can choose learnings that are most relevant to them, and the type of activities and modules that resonate best

• The portal is continuously supplemented with additional learning programs

• Face-to-face learnings provided to targeted audiences with relevant task-based or remediation-oriented messages
How we keep awareness high
Regular communications to complement learning

- Articles regularly published on corporate intranet site – “Straight Talk” cases of consequence, integrity updates, and FAQs – all with interactive discussions
- Consistent leadership and manager messaging through Integrity on the Business Agenda initiative
- Ongoing helpline Poster campaign at all local sites around the world to encourage reporting
- Display stands at all high traffic areas promoting the integrity reporting channels including brochures and wallet cards
- Risk-based awareness to targeted audiences
- Multi-channel communication (Yammer messages, videos, podcasts, microsites)
How we encourage compliance
Incentives and transparency

**Incentives**

- Integrity and ethics are a part of employees' Performance and Development Appraisals, an integral part of all employee reviews and advancements.
- Performance factors and behavioral targets are tailored to employees and managers to encourage Integrity-focused actions and leaderships.

**“Straight Talk”**

- Aligned with ABB’s strategy to drive and strengthen 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.

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**Integrity**
Maintaining high ethical and professional standards

**Achievement**
Delivering results

**Collaboration**
Working as one team for ABB

**Innovation**
Inventing new ways and improving continuously

**Inclusiveness**
Understanding other perspectives and cultures

**External Focus**
Focusing on customers

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Straight Talk

Integrity Case Studies
Key Integrity Metrics
Case Study Video Podcasts
Where can I seek help or make an Integrity report?
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 Legal & Integrity member
  – 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 180 languages
  – Toll-free calls taken by an independent provider
  – Web-based reporting also available
• Reports treated confidentially and reporters can choose to remain anonymous (consistent with applicable laws)
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 & severity, leveraging expansive investigator pool

**Accountability**
- Leadership engagement regarding investigative and remedial support required

**Handling**

**Hands-On**
- Lead investigator ownership, with IIM support and expertise 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 IIM portfolio oversight

**Comprehensive**
- Inclusive Disciplinary Committee participation
- Internal Controls root cause/remediation collaboration

**Fair**
- Accountability Framework governs discipline recommendations/decisions
How we address misconduct
Employee discipline system, with non-retaliation for whistleblowers

• ABB investigates all potential integrity or compliance concerns and cooperates fully with law enforcement agencies
• ABB maintains a non-retaliation policy for whistleblowers
• A systematic approach to determining and executing disciplinary actions applies to all substantiated integrity violations to ensure consistency in outcomes and accountability:
  – Disciplinary Committee participation determined by severity of risk, and inclusive of management to ensure accountability and engagement
  – Standard discipline matrix accompanied by aggravating and mitigating factor analysis
  – Oversight by Integrity on all recommendations and decisions
How we verify – monitoring and testing activities
Leveraging analytics to advance risk identification and detection

Real-time and continuous monitoring dashboards

- **Case analytics dashboards** widely available to business and control functions, at a button’s click, to continually and regularly identify areas of potential risk and for attention and communicate the same to key stakeholders
- Development, use and regular enhancement of **continuous analytics dashboard**
  - Runs on dynamic enterprise and external data inputs
  - Risk formulas applied to trigger potential items of interest
  - Initial results vetting
  - Escalation of uncleared risk areas for action

Analytics-focused anti-bribery reviews (“Tiger Audits”)

- Collaborative scoping by Internal Audit, Business Analytics and Integrity
- Executed by Internal Audit
- Review of business processes, accounts and balances, and test transactions to assess robustness of controls and identify possible violations, with scope and target of reviews dynamically driven by monitoring and analytics framework developed by Business Analytics in partnership with Integrity
How we verify – monitoring and testing activities
Anti-fraud program and anti-bribery reviews

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, ARIC and Business Area Internal Controls
• Inputs include:
  – Continuous analytics dashboard results
  – Anti-bribery review results
  – Case analytics and insights
  – External risk trends

Anti-Bribery Reviews ("ABAC reviews")

• Conducted frequently throughout the year by internal audit of business lines and countries globally
• Review of business processes, accounts and balances, and test transactions to assess robustness of controls and identify possible violations
How we verify – monitoring and testing activities
Additional controls for risk exposure

**Integrity risk and culture survey**
- To understand employee attitudes, awareness and perceptions of integrity and compliance at ABB, and to monitor progress and address potential gaps in ABB’s culture of integrity

**High-risk area process**
- Enhanced integrity and compliance processes to address certain areas with greater compliance risk
- Additional due diligence reviews and controls for identified risk areas

**Metrics of integrity insights**
- Regular collecting and reporting of metrics associated with organization trust, engagement and transparency for effectiveness insights as we continuously enhance our integrity program