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DECEMBER 2022

# The Global ABB Integrity Program

[www.abb.com/integrity](http://www.abb.com/integrity)



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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.”

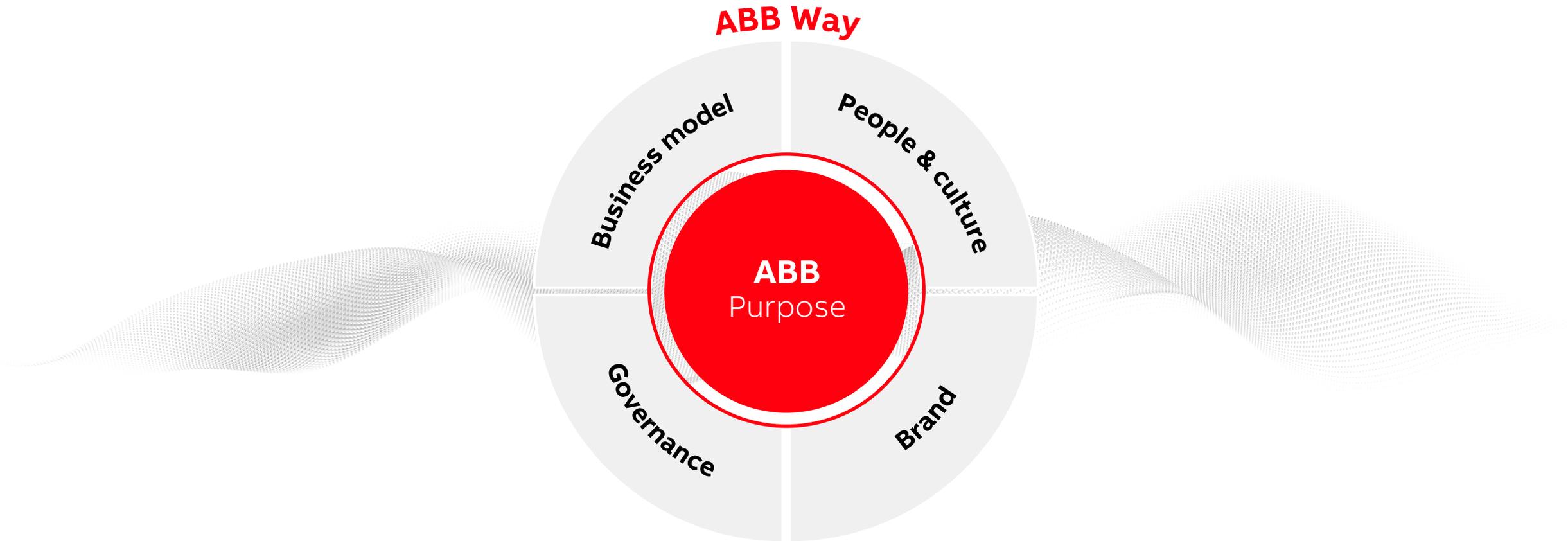
**Björn Rosengren**  
Chief Executive Officer



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# 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 action and manage consequences
- Speak up and ask for help
- Take calculated risks to create success



### Care

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



### 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

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# 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>



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# Code of Conduct

Your questions are worth asking.

Find the answers in the ABB Code of Conduct.



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# How we drive strong enterprise culture

Code of Conduct: culture of integrity

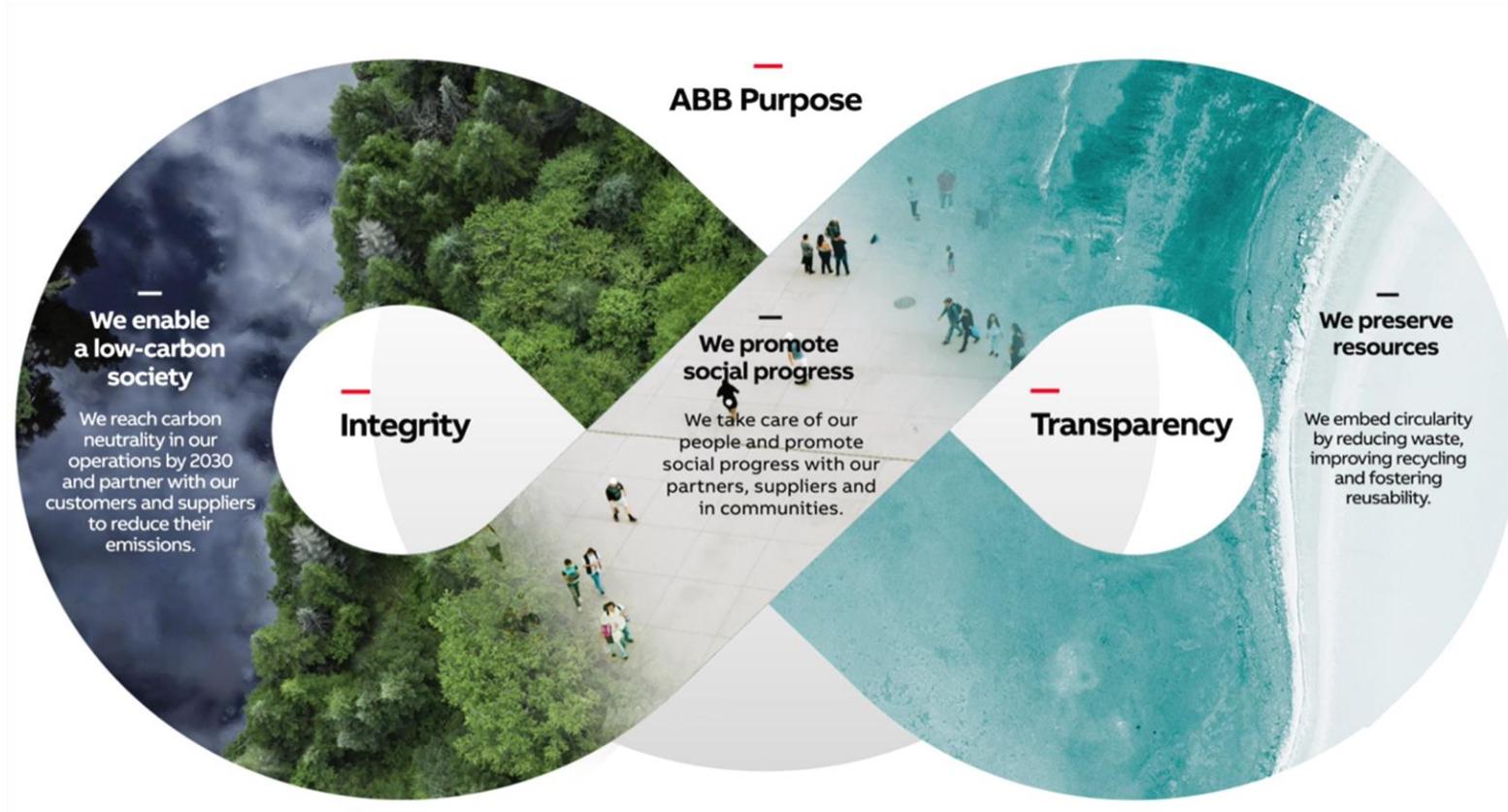
## Our Integrity principles:

- 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 drive strong enterprise culture

ABB's Sustainability strategy: Integrity and Transparency interwoven



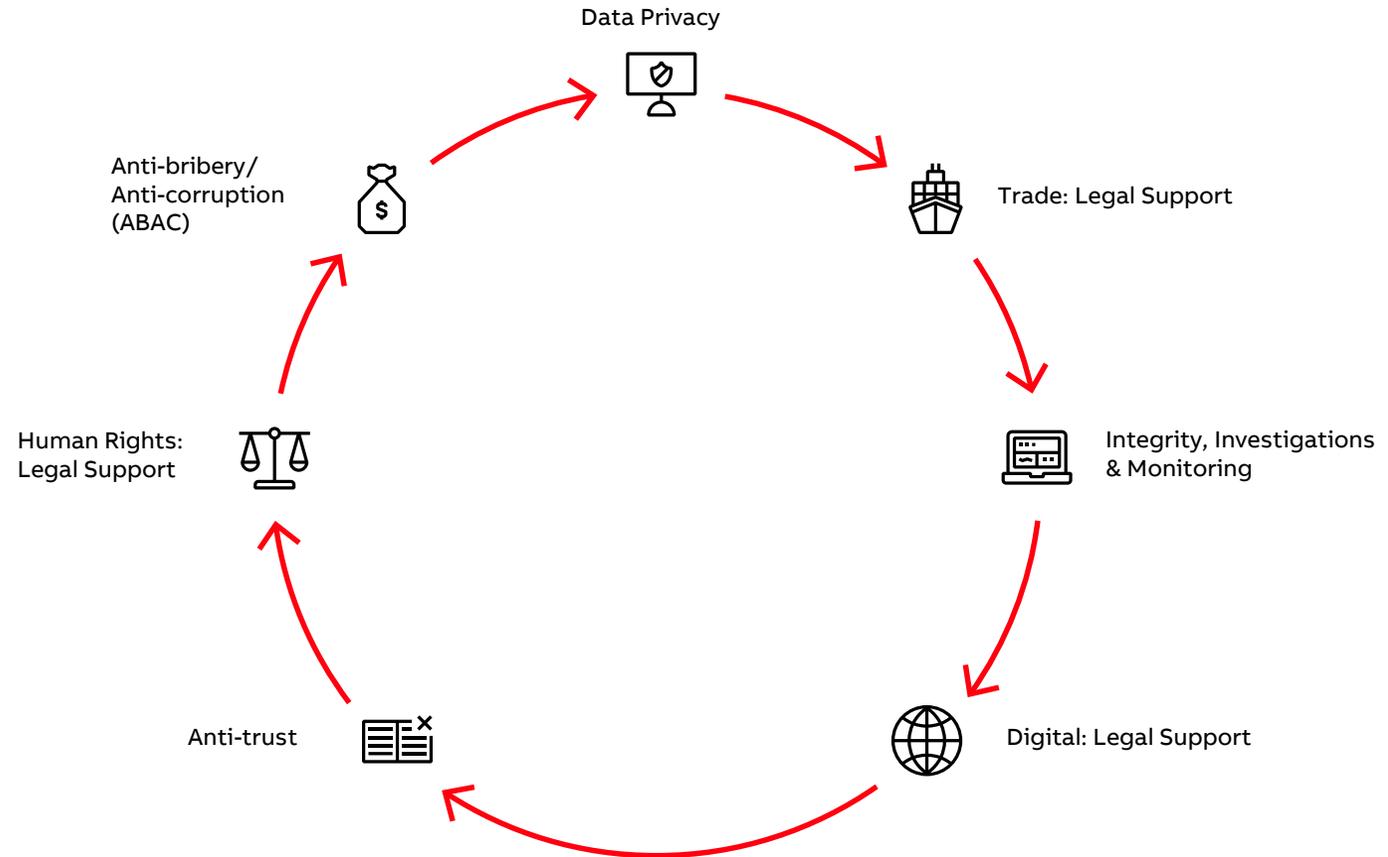
# Integrity & Regulatory Affairs

## ABB's global integrity team

**“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 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



# Integrity throughout the enterprise

## ABB's global Integrity Program and effectiveness measurements

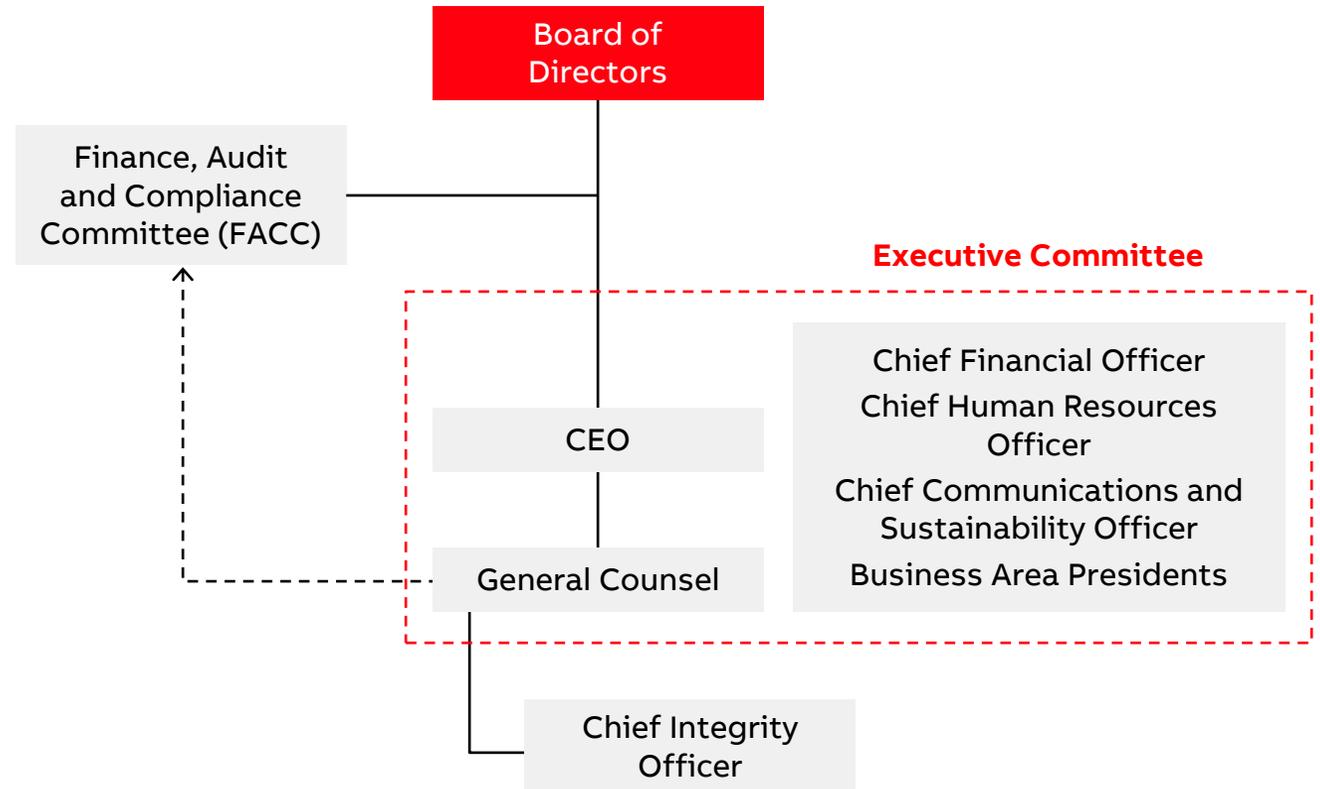
Commitment from senior and middle management	Code of Conduct and procedures	Oversight, autonomy and resources	Risk Assessment	Training and communications
<p>The company has a culture of integrity and compliance beyond a paper program that is supported by senior and middle management.</p>	<p>The company 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.</p>	<p>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.</p>	<p>The company adequately analyzes and addresses the risks it faces specific to its industrial sector, size, geographic spread, business stakeholders, and regulations.</p>	<p>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.</p>
<p><i>Annual Employee Engagement Surveys, Integrity Leaderboard KPIs, Legal &amp; Integrity (L&amp;I) Metrics Performance Report</i></p>	<p><i>Quarterly reporting to the Board and its Committees</i></p>	<p><i>Integrity Leaderboard KPIs, L&amp;I Metrics Performance Report, Internal Audit and Data Analytics</i></p>	<p><i>ERM, Fraud Risk Assessment, Anti-corruption risk assessments</i></p>	<p><i>Integrity Leaderboard KPIs, L&amp;I Metrics Performance Report</i></p>
Incentives and disciplinary measures	Third Party Due Diligence	Mergers and acquisitions, pre-acquisition due diligence and post-acquisition integration	Confidential reporting and internal investigation of misconduct, followed by analysis and remediation of misconduct	Continuous improvement, periodic testing and review
<p>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.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>	<p>The company consistently reviews the integrity program to identify opportunities for continuous improvement and tests the effectiveness of its processes.</p>
<p><i>Real-Time Case Dashboard</i></p>	<p><i>Internal Audit and Data Analytics</i></p>	<p><i>Internal Audit and Data Analytics</i></p>	<p><i>Real-Time Case Dashboard, Integrity Leaderboard KPIs, Board</i></p>	<p><i>Internal Audit, Data Analytics</i></p>

# 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 ensure proper governance

## Corporate Governance: at a glance

### Integrity Governance throughout ABB

- **Internal Audit**
  - Provides independent objective assurance and other services to the Group,
  - Investigates potential fraud or inappropriate business conduct,
  - 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
- **Global Business Services (GBS)** provides 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 local business unit managers to raise awareness and foster an environment where employees talk about integrity
- Topics have included: conflicts of interest; gifts, entertainment, and expenses; ABB's multiple reporting channels; the meaning of “corrupt intent”; the consequences of early revenue recognition; how to recognize false expense and travel reports; and what to do if told by a manager to ignore a compliance concern

**Integrity on the Business Agenda – Q3 2022**  
How we can all create a speak up culture at ABB

**ACTING AS A TEAM MEANS:**

- **Engaging and Involving** – we collaborate and draw on each other's knowledge and strengths
- **Learning and Improving** – we all have courage and curiosity to learn and take action

**REPORTING CHANNELS FOR CONCERNS**

- Management chain
- Member of Legal & Integrity including our four BA Heads of Integrity

**Resources**

- Business Ethics Helpline (also available through the Code of Conduct mobile app)

**ADDITIONAL RESOURCES:**

- Integrity Portal
- In the Integrity Awareness Portal
- Harvard's Leadership Learning platform for ABB featuring Work & Collaboration, and Care for Others
- Code of Conduct: Leaders' responsibilities on page 43
- Safety for Safety and Health at Work 2022
- ESG & Sustainability Strategy on Resilient Operations

**Integrity on the Business Agenda – Q1 2022**  
Individual and Manager Accountability – What ABB expects from you

**The basics**

Our Code of Conduct expresses our strong collective and individual commitment to integrity.

- Under the ABB Code of Conduct, **every employee** is held accountable for always conducting business with integrity.
- **Managers** have additional responsibilities under the Code of Conduct and will be subject to a harsher accountability analysis when they fail.
- **We all** have a responsibility to ensure that potential violations of the Code of Conduct are addressed thoroughly and promptly.
- ABB provides **multiple ways to report confidentially potential violations of the Code of Conduct.**

**Your responsibilities and tools**

**What are your responsibilities?**

- Understand and consider the Code of Conduct in all your actions, every day.
- For Managers, be a role model to your team pursuant to [the expectations in the Code of Conduct.](#)
- As a Manager, it is your duty to know, anticipate, and monitor the specific integrity and compliance risks that affect your department.
- Commit as a team to perform your 2022 objectives in compliance with our ABB Values and Code of Conduct, taking ownership and accountability for conducting business with integrity.

...rt potential Code of Conduct violations.  
...ase of concerns or for [support.](#)

[See Integrity Awareness Series – Episode 4](#) where  
...through some scenarios related to Individual  
...odel behavior!

...is you need to know in this helpful [One-pager](#). Don't  
...ays have these readily available.

**Q1 2021 – IOTBA - Integrity Briefing**  
Our Culture, Values, and a Call to Action

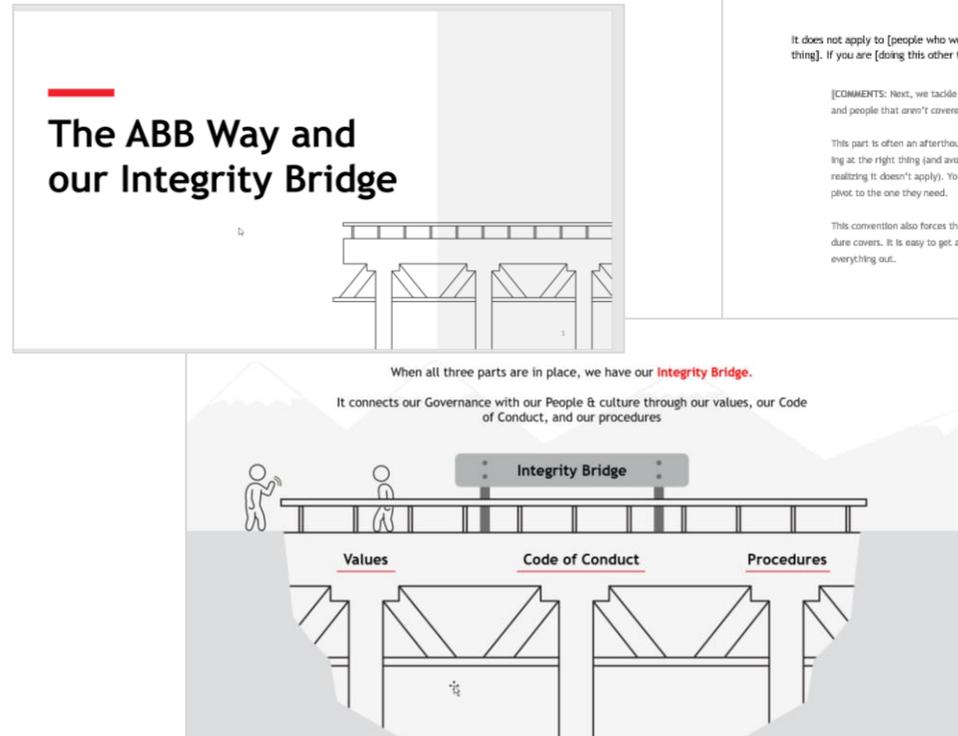
**ABB**

# 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 5 new integrity procedures on Integrity Responsibilities & Oversight, Data Privacy, Conflict 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



### 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 (“representatives”) can get vague or over to” will force a lot of clarity for both the

#### 1. Does this apply

This procedure applies to [personnel] who are

[COMMENTS: This summarizes the “coverage—in screening, it’d be the logic]

This is an acid test: if it is too complicated and should be broken up.]

It does not apply to [people who would normally thing]. If you are [doing this other thing], use

[COMMENTS: Next, we tackle “related people and people that aren’t covered by this p

This part is often an afterthought, but getting at the right thing (and avoid infatuation realizing it doesn’t apply). You can hyper-pivot to the one they need.

This convention also forces the procedure covers. It is easy to get a little sloppy everything out.

#### 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 piloned 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 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



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# How we manage fraud and bribery & corruption risk

## ABB's anti-corruption policy framework

- **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 and hospitality** policy defines thresholds, approval processes and their documentation, with additional controls for public officials
- **Sponsorships and donations** are subject to detailed internal policy and controls
- **Conflicts of Interest** disclosed through an automated review and approval tool in accordance with company procedure, accompanied by dedicated guidance creating awareness and accountability



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# How we manage gifts, entertainment and expenses, and sponsorships & donations

Legitimate and reasonable business entertainment only

## Gifts, Travel & Hospitality / Sponsorships & Donations policy

- Sets out the circumstances under which gifts, travel & hospitality may be given and received and under which circumstances sponsorships and donations may be made
- Sets thresholds and approval processes
- Additional controls for public officials, including employees of state-owned or controlled companies
- Fully integrated into the Global Travel & Expense Policy, providing employees with a single document for all policy and procedural requirements



# How we manage gifts, entertainment and expenses, and sponsorships & donations

Legitimate and reasonable business entertainment only

## Integrity Gateway

- Standardized pre-approval and disclosure tool for Gifts, Travel & Hospitality, Charitable Donations & 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 high-risk transactions

ABB | INTEGRITY GATEWAY

Request to Provide a Gift, Travel or Hospitality

Gift, Travel and Hospitality

Submitter

Please complete 'Title' first before entering any Activity Details

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](#)

Request ID: GTH-000-460

Created: Jun 22, 2022

Status: New

Activity Details

Approximate date(s) on which the gift, travel or hospitality will be provided:

Country or countries where the gift, travel or hospitality will be provided:

ABB | INTEGRITY GATEWAY

Request to Provide a Donation or Sponsorship

Donations and Sponsorships

Submitter:

Complete the questions below to request pre-approval to provide a Donation or Sponsorship.

Request ID: DNS-000-461

Created: Jun 22, 2022

Status: New

Recipient Details

Name

SAP ID, GUID for the business, if the recipient is already registered:

Country:

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# How we manage fraud and bribery & 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
- These rules, and this Procedure, also apply to employees receiving gifts, travel & hospitality gifts, travel & hospitality from third parties, which must be appropriately recorded, approved, and monitored to avoid conflicts
- 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?”

A photograph of two young women with blonde hair, smiling and looking at each other. The image is overlaid with a semi-transparent red filter. The woman on the left is wearing a dark top with a striped collar, and the woman on the right is wearing a light-colored t-shirt.

# How we manage fraud and bribery & corruption risk

## Conflicts of Interest program

### Integrity Gateway

- ABB maintains an 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 partners
- Approvers can develop and document remedial measures within the system
- Greater Management and HR accountability for reviewing and addressing potential COIs
- “Smart” questionnaires tailor requests based on conflict-type and allow employees to provide updates on changes in relationships

ABB | INTEGRITY GATEWAY

### Start an Approval Request

- Disclose a Possible Conflict of Interest
- Provide a Donation
- Provide a Gift, Travel
- Receive a Gift, Travel

← Back    ABB | INTEGRITY GATEWAY    DISCLOSE A POSSIBLE CONFLICT OF INTEREST    SUBMIT CONFLICT

Conflicts of Interest    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

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# How we manage fraud and bribery & corruption risk

## 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**
- **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.

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# How we manage third party risk

## ABB approach on working with third parties

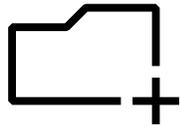
- Mandatory, risk-based due diligence covering **M&A, Divestment** and **Joint Venture** activities, business opportunities and partners (including **Third Party Representatives, Suppliers** and **Customers**)
- Agreements with third parties, including **subcontractors and consortium partners**, are aligned with ABB's commitment to integrity in the performance of the contract, including commitments not to violate anti-bribery laws
- **Suppliers** must also maintain integrity standards which are satisfactory to ABB and adhere to the ABB Supplier Code of Conduct



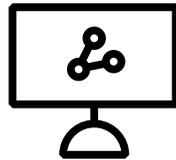
# How we manage third party risk

## 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, 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**

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# 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

*\*To be enhanced in 2023, broadening scope to all ABB third party relationships.*



**ABB**

## ABB Supplier Code of Conduct

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# How we manage M&A risks

## Integrity in mergers & acquisitions

- ABB reviews all potential merger and acquisition targets, venture investments, potential buyers of divestments, and JV / teaming / 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
  - Identifying publicly available information about the target and integrity-related risks of the target's operations/practices
  - Reviewing the structure of the target's integrity organization/program; third parties; joint venture, teaming, and consortium arrangements; internal reporting mechanisms and investigations; and audit reports

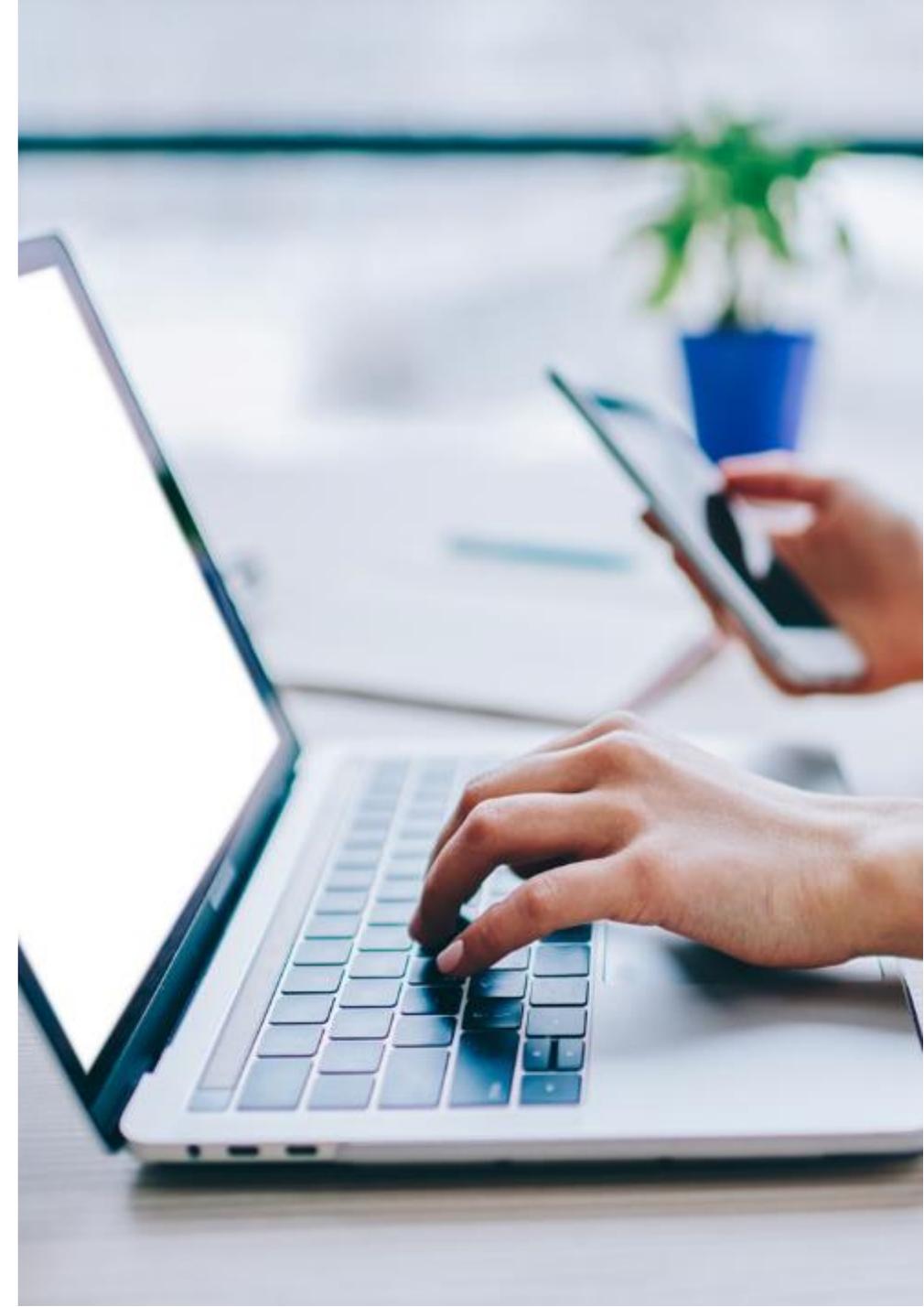


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# How we manage M&A risks

## Integrity in mergers & acquisitions

- For M&A and investment transactions, post-close ABB ensures proper integration of all acquired entities and employees into its Integrity program, including:
  - Anti-Bribery and Anti-Corruption
  - Antitrust
  - Trade
  - Human Rights
  - Data Security
- For JV / teaming / consortia arrangements, ABB ensures implementation of a robust governance framework, integrity program, and monitoring mechanisms



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## 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

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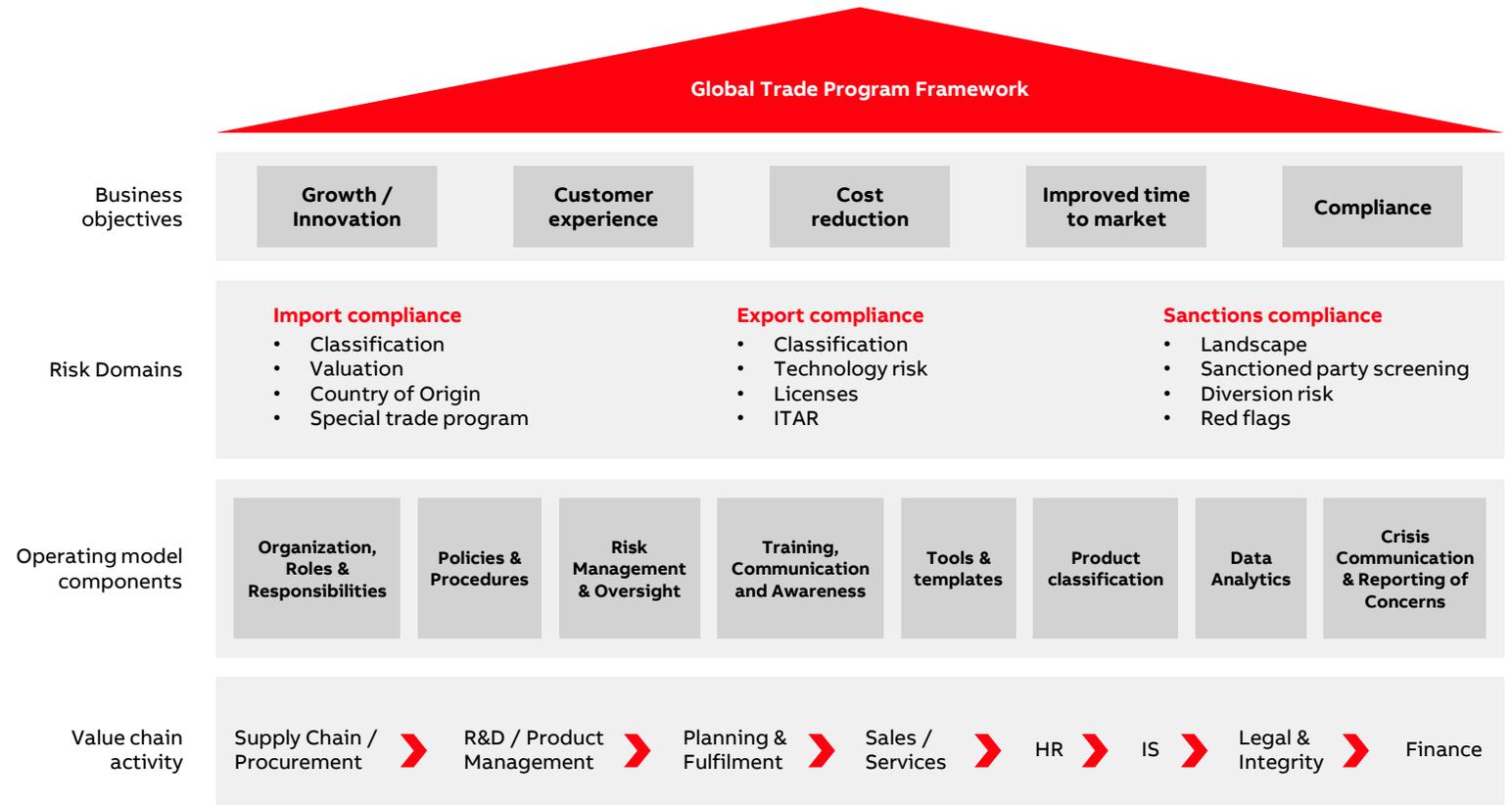
**“How do we  
play fair?”**

# 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



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# 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.

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# 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
- 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 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
  - Further promotes the use of the Company’s Helpline and reporting channels

**Straight Talk**

**Straight Talk: Securing business through bribery is never acceptable**  
Maintaining integrity in tenders and projects

CONFIDENTIAL

What happened?

Did the ABB employees act appropriately?

Where can I seek help or make an integrity report?

Integrity Case Studies | Key Integrity Metrics | Case Study Video Podcasts

**Francesca Federigi**  
Global Corporate Responsibility Specialist, ABB

**Adrienne Williams**  
Group Head of Corporate Responsibility, ABB

**Straight Talk video podcast with Adrienne Williams and Francesca Federigi**

The third Straight Talk video podcast and the first from our colleagues in Corporate Responsibility, Francesca Federigi, Global Corporate Responsibility Specialist, and Adrienne Williams, Group Head of Corporate Responsibility, join us to discuss social progress as a key focus area of ABB's 2030 sustainability strategy, and how Corporate Responsibility plays a critical role in ensuring that we all work in a culture that protects people and their human rights.

ABB Human Rights Requirement | UN Human Rights (OHCHR) | ABB Sustainability Report 2020

Email for HuRi Comms: HQ-HSE.SA.Communication@abb.com

**Colm Deighan**  
PA Internal Controls Business Manager, ABB

**Stephanie Accuosti**  
Global Head of Integrity Investigations, ABB

**Straight Talk video podcast with Colm Deighan**

**What were the consequences and lesson learned?**

- We must watch out for and report immediately to Legal & Integrity, any red flags that might appear to suggest an improper payment or business relationship, such as engaging third parties who do not appear to add legitimate business value
- The investigation has resulted in a wide range of disciplinary procedures, including termination of employment for numerous managers
- While it might seem attractive to ABB's interests to gain a competitive advantage in a tender, we must always place ABB's reputation and integrity first
- This means competing fairly and transparently with our competitors and only engaging parties that add legitimate value to our work

ABB

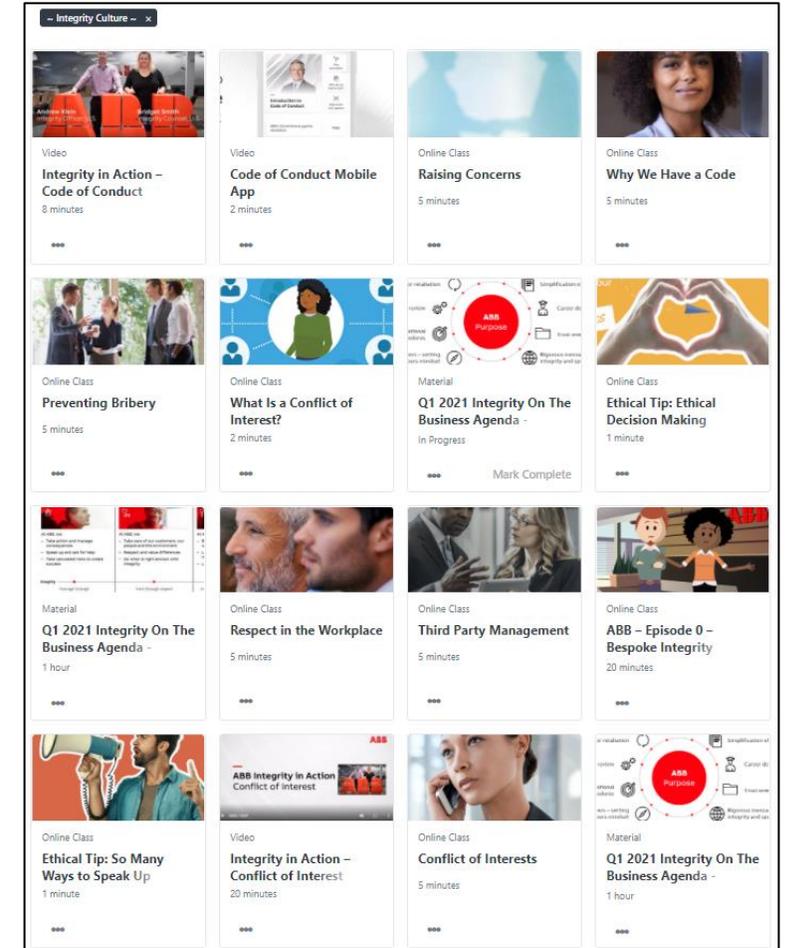
# How we keep awareness high

## Ongoing integrity guided self-learning

### Onboarding Training

During onboarding, all employees are:

- Welcomed with an integrity-related message from the EC
- Introduced to ABB's Code of Conduct, reporting channels, and zero tolerance policy for retaliation
- Required to watch ABB's bespoke Episode 0 awareness video to learn how to identify and address potential integrity issues with further bespoke episodes in development
- Required to learn about and disclose any potential conflicts of interest using the Integrity Gateway
- Required to visit the Integrity Awareness Portal and complete all "Integrity Culture" micro-learnings



# How we keep awareness high

## Ongoing integrity guided self-learning

### Continuous Learning

- All employees have access to learnings and guidance necessary to **ensure awareness and understanding of the Integrity Program**
- **Integrity Awareness Portal** accessible to employees and contractors includes 122 micro-learnings, bespoke content, short videos, and ethical moments covering range of Integrity topics in variety of formats and available in up to 10 languages
  - Employees choose learnings and activities that are **most relevant** to them and resonate best
  - Portal **continuously supplemented** with additional bespoke learning programs and risk-based awareness campaigns to targeted audiences
- **Face-to-face learnings** for targeted audiences with task-based or remediation-oriented messages
- ABB runs **metrics** to monitor the utilization rate of our learning modules to continuously assess the effectiveness of our approach

The screenshot displays the Integrity Awareness Portal interface. At the top, a video player shows a group of diverse people smiling, with a 'Join us' button overlaid. Below the video is a 'Continue Learning' section featuring four learning modules:

- Support - Global Data Protection**: Online Class, In Progress, Launch button.
- Code of Conduct Mobile App**: Video, Registered, Launch button.
- Integrity in Action - Code of Conduct**: Video, Registered, Launch button.
- Blindspot: Data Privacy**: Online Class, In Progress, Launch button.

Below the learning modules are three promotional cards with QR codes and text:

- “When do interests conflict?”
- “Who’s got your back?”
- “What’s the same inside and out?”

At the bottom, a Spotify player is visible with the title “The Meaning of Integrity with Na...” and the artist “ABB Decoded”.

# How we keep awareness high

Regular communications to complement learning

## Integrity Communications

ABB utilizes multiple communication channels to raise integrity awareness:

- 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 quarterly Integrity on the Business Agenda and monthly License to Operate business presentations and Executive Committee discussions, and Yammer
- Ongoing Helpline poster campaign at all local sites around the world to encourage reporting and display stands at all high traffic areas promoting the integrity reporting channels including brochures and wallet cards
- Risk-based awareness campaigns to targeted audiences
- Multi-channel communication (Yammer messages, videos, podcasts, microsites)

The collage features three posters with the following text:

- Poster 1: "When do interests conflict?"
- Poster 2: "Who's got your back?"
- Poster 3: "What's the same inside and out?"

Each poster includes a QR code and the text: "Your questions are worth asking. Find the answers in the ABB Code of Conduct." Below the posters is a photograph of three people sitting in a modern office setting. To the right is a diagram of the "Integrity Bridge" structure, which connects "Values", "Code of Conduct", and "Procedures". The diagram includes the text: "When all three parts are in place, we have our Integrity Bridge. It connects our Governance with our People & culture through our values, our Code of Conduct, and our procedures."

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# 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 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**

**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 & severity, leveraging expansive investigator pool
- Accountability** • Leadership engagement regarding investigative and remedial support required

### 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

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# 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

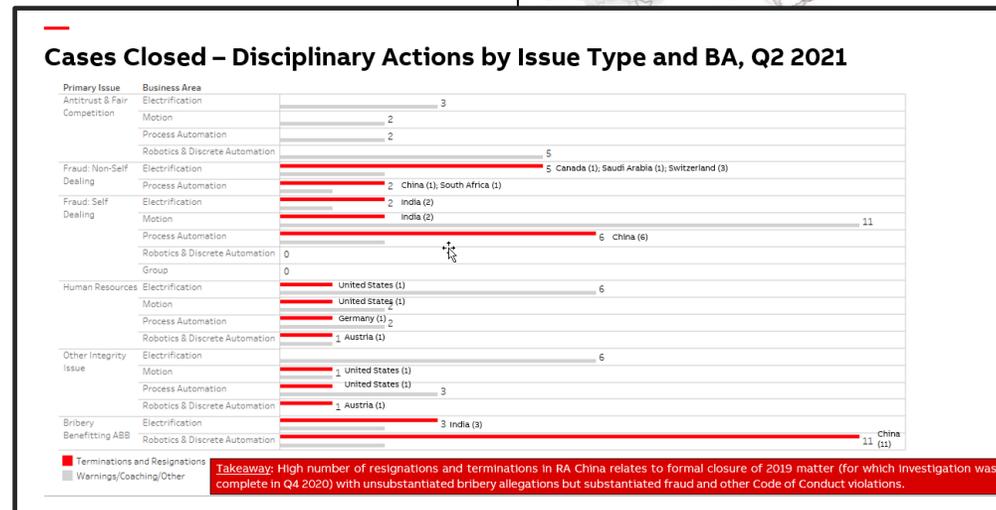
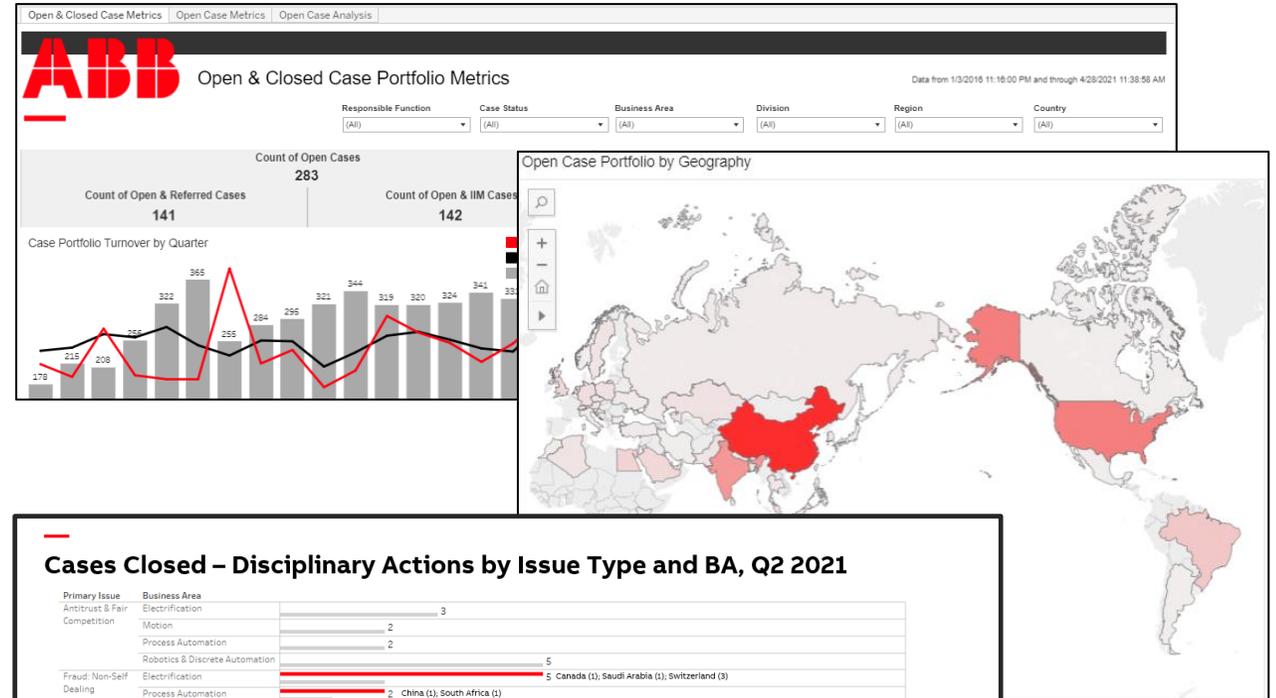


# How we verify – monitoring and testing activities

Leveraging analytics to advance risk identification and detection

## Real-time and continuous monitoring tools and testing activities

- **Case analytics dashboards** widely available to business and control functions, at a button's click, as a tool to continually and regularly assess potential risk areas or trends, and monitor and manage our integrity investigations case portfolio
- Development, use and regular enhancement of **integrity continuous monitoring platform** to detect possible violations
  - Runs on dynamic enterprise data inputs, iteratively updated to reflect risk factors detected through ABB, industry, or third party schemes
  - Risk formulas trigger potential items of interest
  - Initial results vetting by experienced integrity and data analytics experts
  - Escalation of uncleared risk areas for action by integrity investigators



# How we verify – monitoring and testing activities

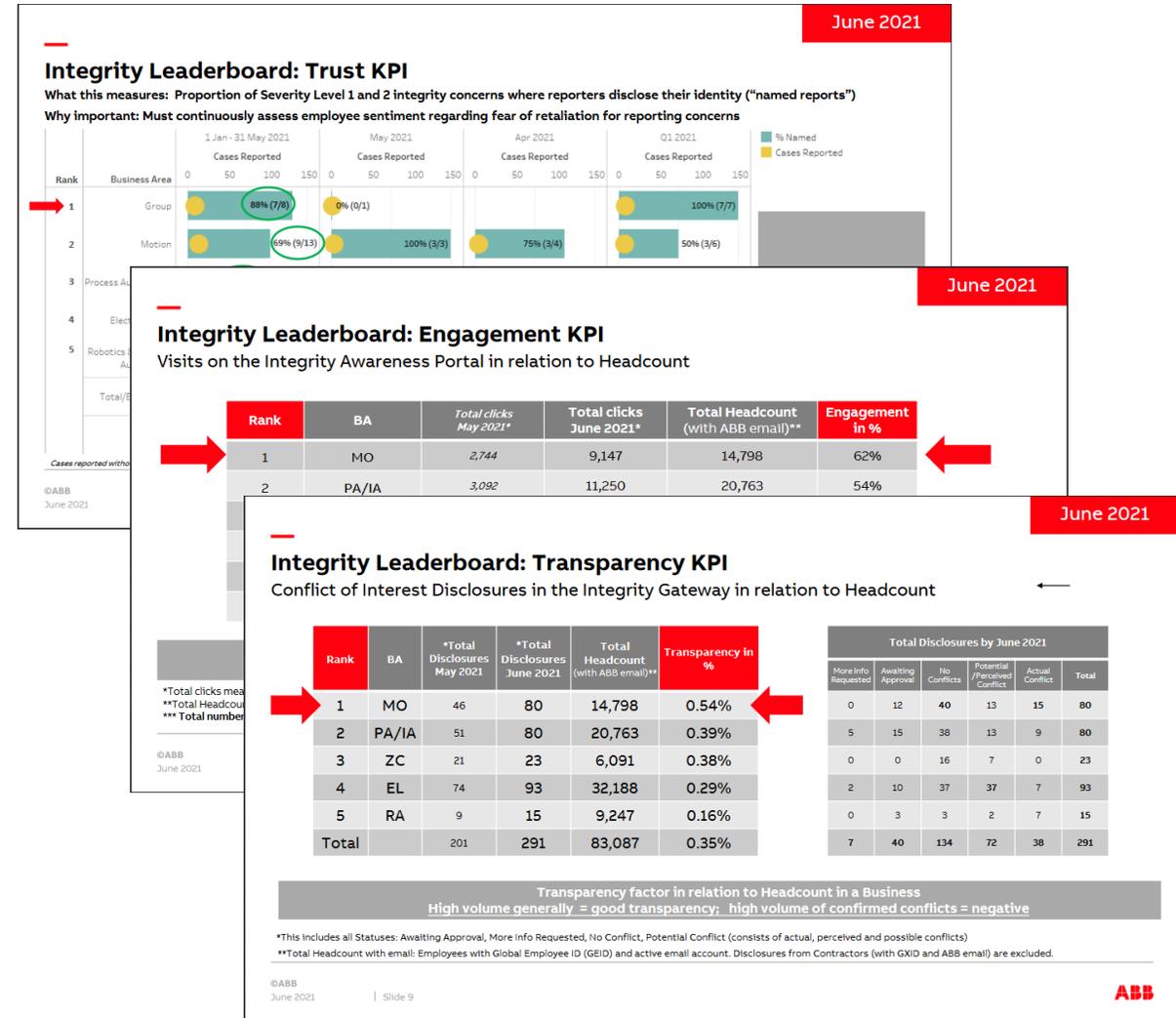
## Additional controls for risk exposure

### Engagement and integrity risk and culture surveys

- 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

### Metrics of integrity program derived insights

- Regular collection and monitoring of metrics associated with organization trust, engagement and transparency to test effectiveness of campaigns and initiatives, including tracking of:
  - Completion of Integrity Awareness Portal trainings globally and by Business Area, country, region, and function
  - Trainings with the highest completion or viewing rates
  - Code of Conduct mobile app downloads
  - Yammer posts with metrics on views, likes, comments, shares, etc.
- Monthly engagement metrics reported for discussion at monthly meetings with Group CEO and CFO
- Results available to all leaders and employees to drive transparency and stakeholder involvement



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# How we verify – monitoring and testing activities

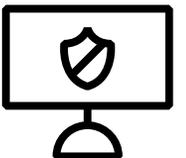
Leveraging analytics in partnership with other stakeholders

## **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 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



**ABB**