



INTEGRITY

Committed to the highest ethical business standards

ABB does not tolerate violations of the law or the ABB Code of Conduct

ABB's robust integrity program helps ensure compliance with laws and regulations; its guidance enables our employees to make fair and honest decisions every day. ABB's governance framework, policies and procedures, risk assessment processes, trainings, approach to managing third parties, and our monitoring, investigation and reporting mechanisms are structured to ensure that everyone who works with or for ABB is personally accountable for upholding the highest moral and ethical standards. In our 2020 Engagement Survey, ABB employees said they have pride in our high standards of integrity; critically, our people also said they felt comfortable about stepping forward to raise any integrity concerns.

Prevent

- Business accountability
- Strong management commitment
- Training
- Awareness raising
- Policies



Detect

- Reporting channels
- Investigations
- Audits and reviews
- Process and controls
- Risk monitoring



Resolve

- Resolution
- Zero tolerance
- Ongoing improvement
- Consequence management
- Analysis and response



Strengthening integrity throughout ABB

In 2020, we launched a program to further strengthen our ability to prevent, detect and resolve any potential integrity concerns across ABB, in line with our ABB Way operating model and values. With the strong support of mid- and senior-level ABB management as well as the Board of Directors, the program is designed to strengthen integrity and trust across our organization, helping to ensure that ABB remains an exemplary corporate citizen.



The ABB integrity credo

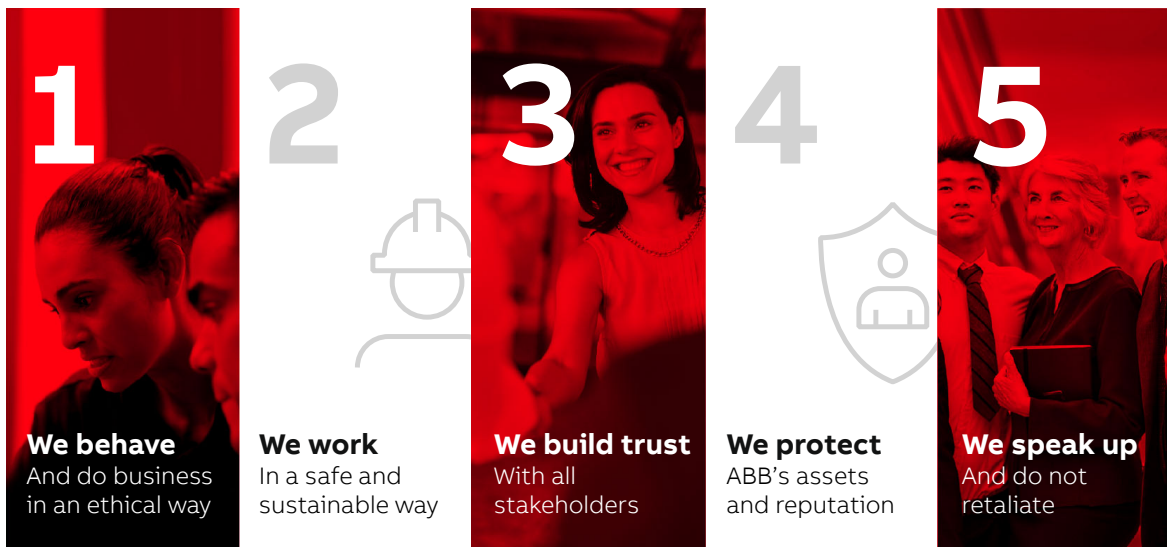
Consistent with our ABB values, we act with **courage** by speaking up and asking for help, show **care** by doing what is right and acting with integrity, show **curiosity** by seeking continuous improvement, and **collaborate** to build on strengths and successes. At ABB, we want to do the right thing and be transparent at every level of our value chain. Performance is measured not only by the results achieved, but also by how results were achieved.

The ABB Code of Conduct

The ABB Code of Conduct, and related Supplier Code of Conduct, is the linchpin of ABB's governance framework, defining how we work, collaborate and do business across our organization. Revised and simplified in 2020, the Code is available in more than 25 languages and links to underlying policies and procedures.

The Code expresses our strong collective and individual commitment to integrity and provides practical guidance to our workforce, our suppliers and business partners on how we conduct business worldwide. It also empowers our employees to use good judgement in their everyday work and assures them that ABB will protect whistleblowers from retaliation. ABB's non-retaliation policy emboldens our people to speak up across our organization and value chain.

Our integrity principles





2020 initiatives

During our annual fraud risk assessment, we determined that the COVID-19 pandemic has increased the risk of fraud, breaches of internal controls and unethical behaviors. Among our actions to counter this risk, we designated November 2020 “Information Security Awareness Month.”

CASE STUDY


Privacy and data protection



In 2020, we continued to strengthen our privacy and data protection controls by introducing new policies, guidance, trainings and communications on data breaches, data retention and data transfers, among other vital information security topics. We made these adjustments in response to advances in digital technologies and changes in the regulatory environment, including new laws, such as the California Consumer Privacy Act and Brazil’s General Data Protection Law, as well as court rulings, such as that of the Court of Justice of the European Union in the Schrems II case.

We further developed our practices regarding the privacy by design approach to incorporating privacy into new technologies and information systems, the maintenance of records of processing activities, and the performance of data protection assessments. We also implemented a performance measurement, metrics selection and reporting tool to better monitor, focus and prioritize these practices.

In line with the ABB Way, we appointed privacy leads in the Business Areas responsible for implementing and sustaining our privacy and data protection standards and controls in the Business Areas and divisions. All internal and external stakeholders continue to be supported by our global privacy team, staffed by full-time privacy professionals.

We apply the same strict privacy and data protection standards and controls across all our global locations. ABB’s global privacy and data protection standards and practices are described on the [ABB Data Privacy Portal](#) .



To raise internal awareness of the integrity risks ABB employees face, we continued to offer the “Integrity Starts with You” training course on the ABB Code of Conduct. We also continued to run a data protection course and our global anti-bribery essentials course, “Don’t Look the Other Way.” There were around 6,000 course completions for each of these courses in 2020, mainly by new joiners, bringing the cumulative completions on these courses since their global roll out to 99, 97 and 98 percent, respectively. Our 2018-2020 integrity training campaign covered employees with company email accounts only. All courses were rolled out to just over 109,000 employees (including the now divested Power Grids division), around 75,000 employees excluding Power Grids. We are encouraged by their high completion rates. Due to long-term absences, organizational changes and timing issues, among other reasons, it is not possible to achieve a completion rate of 100 percent.

To guard against human rights violations in our supply chains, in 2020 we continued to perform extensive due diligence and improved our supplier self-assessment framework. In 2021, we will strengthen these processes by including automated pan-integrity (including human rights related) screening, weighted risk scoring and ongoing monitoring for medium to higher risk third parties on both the buy- and sell-side of our value chain.

ABB has zero tolerance for any form of retaliation, retribution or wrongful dismissal. To this end, in 2020 we provided employees with discreet, one-click access to the Helpline web portal from ABB’s publicly available Code of Conduct mobile app. This new channel helps employees to more rapidly raise concerns directly to any representative of management, Human Resources or Legal & Integrity via their smartphones. Our wide range of integrity reporting channels includes the ABB Business Ethics Helpline, which provides both employees and stakeholders with web portal and telephone access for reporting suspected violations of the ABB Code of Conduct, the Supplier Code of Conduct, or applicable laws and regulations.

During 2020, the Chief Integrity Officer reported to the Finance, Audit and Compliance Committee and the Board of Directors on our material integrity matters, investigative outcomes and progress on drafting our new integrity plan. We also introduced a monthly reporting cycle to the Executive Committee and frequently discussed material investigation matters with our external auditor.

Lessons learned

In 2020, we opened 720 new integrity-related cases, slightly down from the 746 cases opened in 2019. ABB internally tracks and reviews a variety of case metrics beyond case volume and utilizes the data to continually improve our culture of integrity and internal controls.

The Integrity function uses a variety of resources to ensure the appropriate investigation and resolution of concerns in a prompt, fair and consistent manner. This includes the initial intake of concerns by an independent third party and the assignment and management of cases to seasoned ABB investigators with legal, law enforcement, forensic accounting, and corporate integrity backgrounds.

We have learned from previous years that, in the spirit of inclusion, employee empowerment and accountability, going forward we will be transparent about real-life ABB cases.

In this regard, in 2021, we are launching an organizational justice campaign to further leverage these metrics, as well as other investigative learnings, for the benefit of our employees, enterprise culture and internal controls. As part of this campaign, we will incorporate lessons learned and new trends into employee learning tools, and associated root-cause analysis into our risk-monitoring activities.

CASE STUDY

The ABB Code of Conduct mobile app



In 2020, we launched a new mobile app that makes it easy for employees to refer to the ABB Code of Conduct. The app, which also includes reporting channels, key trainings and links to underlying policies, makes the Code fully accessible to all of our stakeholders.

We created this app because we recognize that on a daily basis our people encounter complex situations that require them to make quick decisions. With access to the complete Code in their pocket, employees can immediately consult their smartphones for



guidance on how to handle any situation, including whether or not what they have just observed or participated in should be reported.

In addition to immediately reporting their concerns via their smartphones, ABB employees have many other options for flagging behavior that appears to violate the Code. They can contact their line manager or dedicated representatives from the Legal, Integrity or HR functions. They can also call the ABB Business Ethics Helpline or file a report online from a desktop computer.

Naturally, we treat all reported concerns confidentially, and we review and thoroughly investigate each and every report. Employees who raise concerns can choose whether or not they wish to remain anonymous. After we complete an investigation, we move to mitigate any risk the violation may have posed to ABB and take disciplinary actions as applicable and appropriate, including termination of employment. ABB enforces a strict, zero-tolerance policy for violations of the law or the ABB Code of Conduct as well as a rigorous non-retaliation policy.