



## Code of Conduct

# ABB Code of Conduct

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# Why do we need a Code of Conduct?

Why do we need a Code of Conduct?

Whatever change may be going on in the world around us, one thing remains unchanged: ABB's commitment to maintain the highest standards of business ethics and integrity.

Through its technology, ABB makes a major contribution to businesses and communities around the world. However, it is not only what we do, but how we do it which will determine our reputation with our stakeholders and help ensure our continued success.

Our reputation is one of ABB's most valuable assets. Like any asset, it must be developed and protected.

The Code of Conduct is central to the way we protect and develop our reputation. It is built on our business principles of Responsibility, Respect and Determination and describes how we are to behave, not just in general terms, but when faced with a range of situations where our actions could have a critical impact on the reputation of ABB.

The Code goes beyond compliance with the laws and regulations wherever we run our business. It demonstrates our commitment to acting ethically and with integrity in every situation while at the same time respecting people's rights as individuals. We expect this of every single ABB employee, in every location, every day. We also expect this of all our business partners. High standards in our relationships are the foundation for lasting success.

We want to be recognized as a world-class leader in everything we do, and we want all our stakeholders to be proud of their association with ABB.

I urge you to read the Code thoroughly and play your part in turning into action the high standards of conduct which all our stakeholders expect of ABB.

Finally, if you are unsure about how to behave in any specific situation, please do not hesitate to speak to your management, HR or local compliance officer for support and guidance.

Thank you for your personal contribution to ABB's overall commitment to compliance and integrity in everything we do.



Joe Hogan  
CEO  
ABB Ltd



## Determination

We show determination when we help our customers to succeed

The success of our customers is key to ABB's success. Customers look to ABB for innovation, reliability and integrity. The standards of behavior required in our client relationships are designed to ensure that we consistently deliver those values and avoid mistakes that will harm our reputation.

### We focus on quality

We strive to help our customers gain competitive advantage by adding value through the performance and quality of our power and automation technologies and services.

### We win trust by being honest

Trust is built through transparency and honesty. To be successful on a sustainable basis, we have to build each customer's trust through the integrity of our words and actions. We don't promise what we can't deliver and strive to ensure that customers, shareholders and colleagues trust us to keep our word.

### We compete fairly

We believe in a competitive, free enterprise system because it guarantees that our hard work and innovation will be rewarded. We will lose the trust of our customers if we treat them differently from one another or conspire with competitors against them.

This system, as the basis of a free market economy, is protected and promoted by competition law. Consequently, our actions must always comply with all applicable antitrust and other laws regulating competition. While these laws vary from country to country, the ABB minimum standard can be defined as follows:

- We compete openly and independently in every market. We do not make any agreements – formal or otherwise – with competitors to fix or set prices or allocate products, markets, territories or customers.
- We do not obtain or share with competitors current or future information about price, profit margins or costs, bids, market share, distribution practices, terms of sales, specific customers or vendors.

- We do not agree with or require a customer to resell our products at certain prices.
- We do not act in a manner that unfairly favors or benefits one customer over another competing customer.

Be mindful of the antitrust risks presented by trade and professional association meetings. As an ABB employee you are required to:

- Attend only meetings of legitimate trade and professional associations held for proper business, scientific, or professional purposes.
- Discuss any questionable agenda items with your supervisor or with a member of ABB's legal and compliance function (Group Function – Legal Affairs & Compliance) before you attend the meeting.
- Leave the meeting and promptly advise your supervisor or Group Function – Legal Affairs & Compliance, if you observe any activity at an association meeting that appears to be illegal or suspicious.

If you have any questions regarding compliance with antitrust laws, contact Group Function – Legal Affairs & Compliance immediately.

### **We refuse to make improper payments**

ABB's reputation for honesty and integrity must not be put at risk by the offer of improper payments. In dealing with public officials, political parties or their officials or any private sector worker, ABB employees must neither offer, promise or give any undue financial or other advantage, whether directly or through intermediaries, to obtain or retain business or any improper advantage in the conduct of business.

### **We protect our credibility by shunning gifts and favors**

Accepting gifts and entertainment from business partners or offering such favors undermine our credibility. It makes ABB vulnerable to accusations that business decisions are influenced by factors others than merit.

Employees must therefore not offer, make, seek or accept gifts, payment, entertainment or services to actual or potential business partners which might reasonably be believed to influence business transactions, which are not within the bounds of customary business hospitality or which are prohibited by applicable law.



## Responsibility

### We show responsibility when we safeguard the company's assets

**We are all part of the ABB team. Show respect and support for your colleagues and their aspirations by caring for the environment you and they work in, the information systems, equipment and other facilities needed for each of us to do the best possible job. Helping each other to succeed also hinges on how we handle positions of authority, access to privileged information and potential conflicts of interest.**

#### **We are respectful of the company's assets**

ABB strives to give employees the tools they need – equipment and information – to be effective. ABB's physical assets, intellectual property rights and information must be handled with care to avoid loss, theft or damage. Information assets include organizational charts, technologies and processes, manufacturing methods, as well as marketing, advertising, and business development studies and plans.

Company assets are intended to be used for business purposes. Limited personal use is only permissible if it is not in conflict with the interests of ABB, this Code of Conduct or ABB's rules and policies.

#### **We use information systems professionally**

ABB's information systems are there to help us work efficiently and professionally. Generally, such systems should be used only for business purposes, in a manner that does not violate the rights or interests of the ABB Group, and in line with rules issued by the ABB Group.

Remember that any communication via e-mail could be regarded as a statement of ABB. Therefore, employees must be careful not to release information that is commercially sensitive or contentious or may have undesired contractual or other legal implications for ABB.

All laws governing copyright, defamation, discrimination and other forms of written communication also apply to online and e-mail communication. Unauthorized or unlicensed software must not be placed onto ABB's IS facilities.

ABB's information systems facilities must not be used to attack the integrity of ABB's or third party's networks or data. This includes originating or forwarding chain letters or unsolicited commercial e-mail (spam).

Information produced and stored on ABB's information systems facilities is regarded as ABB's property and ABB reserves the right to access all such information except where limited by law or agreement. Employees are responsible for keeping their electronic files and archives in an orderly manner.

### **We safeguard confidential information**

Information is an asset. We share some of it in press releases, product information, the annual report and other public documents. Any other information that comes to employees in connection with their work, whatever the source, must be kept confidential to prevent others copying our work or poaching customers. It may also include information that suppliers, customers or partners may have entrusted to ABB.

Mark information appropriately, keep it secure and limit access to those who need to know in order to do their jobs. Avoid discussing information in areas where you may be overheard, such as airports, public transport, restaurants and bars, elevators, restrooms and cafeterias.

Information is so valuable that it may be appropriate to ask any outside party given access to confidential information to sign a confidentiality statement approved by Group Function – Legal Affairs & Compliance.

### **We respect the intellectual property rights of others**

ABB protects its own secrets and respects the intellectual property rights of others. Employees must not obtain confidential information of other parties by improper means or disclose it without authorization.

### **We avoid and manage conflicts of interest**

Conflicts of interest can arise where personal interests or family and other allegiances are at odds with the interests of the company. We can avoid conflicts of interests if we are aware of the challenge and take the necessary action. In general, we should avoid situations in which personal interests, outside activities, financial interests, or relationships conflict or appear to conflict with the interests of ABB and not allow business dealings on behalf of the company to be influenced by personal considerations or relationships.

The most frequent conflicts of interest arise where an employee is in a position to award business contracts, hire staff, has access to information that may be of interest to the financial markets or is offered employment by a competitor. Here are some examples of potential conflicts of interest.

- **Outside employment:** participating in a position similar to the job at ABB that may conflict with the performance of the job at ABB, or working with an actual or potential competitor, supplier or customer of ABB.
- **Family members and close personal relationships:** contracting with a business managed or owned by a family member or unmarried partner.
- **Investments:** acquiring an interest in property or companies, which ABB may have an interest in purchasing.
- **Board memberships:** acting as or accepting a position as an officer, consultant, or director of any business or organization involved in the power and automation technologies industry or involved with ABB (such as a partner, supplier, or customer).
- **Significant ownership interests:** owning certain amounts of other companies that do or seek to do business with ABB or which are competitors.

Employees who think they may be in a "conflict" must inform their line manager or human resources representative so that the company can determine whether a conflict exists. They will be advised of the proper actions to take, in line with the rules issued by ABB Group.

### **We protect privileged information**

Inside information is information not readily available to the public that an investor would consider important in deciding whether to buy or sell a company's securities. It can be information affecting securities of ABB or of another company.

Because inside information may have considerable value to investors, it is governed by legislation designed to preserve public confidence in and the integrity of the securities markets in many countries. ABB has also entered into agreements regarding disclosure of information with stock exchanges on which ABB shares are listed.

ABB has strict routines and guidelines for the dissemination of such information, which includes financial data, plans for the future of the business and changes to key personnel. The laws and agreements with stock exchanges prohibit anyone with inside knowledge from trading the securities or disclosing the information. If employees are unsure whether they have "inside" information, they should contact their supervisor or a representative of Group Function – Legal Affairs & Compliance to discuss the situation.

Trading securities such as shares or bonds while in the possession of insider information is both unethical and illegal, and will be dealt with decisively. It is not permitted to share inside information with ABB employees unless they need to know and are aware of their obligations in handling the information. It is against the law to "tip" or share information with others, including a co-worker, family member or friend, who might make an investment decision based on inside information.

### **We comply with anti-money laundering rules**

ABB commitment to fairness, honesty and openness extends to complying fully with all money-laundering laws throughout the world. Money laundering generally occurs when funds from illegitimate sources are brought into legitimate financial channels to hide them or make them appear legitimate.

Employees must protect the integrity and reputation of ABB by helping to detect possible money laundering activities. They should learn to watch for warning signs, which may include customers who are reluctant to provide complete information or wish to make payments in cash.

### **We keep accurate and complete financial records**

Investors, creditors and others have a legitimate interest in ABB's accounts. The integrity of the accounts depends on the accuracy, completeness and timeliness of the entries. All ABB business transactions must therefore be fully and fairly recorded in accordance with ABB's accounting principles and other appropriate requirements. Improper or fraudulent documentation or reporting is illegal.

### **We act with integrity in handling corporate opportunities**

We respect the company's assets and don't seek to take personal opportunities or personal gain discovered through the use of ABB property, information or position.

# Responsibility

## We show responsibility when we choose business partners with care

**How ABB does business is crucial to its reputation and success and business partners should be seen as allies. In this section, there are guidelines on the appropriate conduct towards suppliers, agents and consultants, among others. The standards in place at a joint venture should also be compatible with those of ABB.**

### **We are fair in our relations with suppliers**

ABB expects fair competition in its markets and applies the same standard in dealing with suppliers. If you select and/or deal with suppliers, you should not show any favor or preference to any person or business based on anything other than the best interests of ABB. You must not let your business dealings on behalf of the company be influenced by personal or family interests.

Similarly, all purchases of goods and services for ABB must be made in accordance with company policies.

### **We collaborate with agents and consultants**

Commissions or fees paid to agents and consultants must be reasonable in relation to the services provided. Employees must not agree or pay commissions or fees that could be considered to be improper payments.

Agreements with consultants, brokers, sponsors, agents or other intermediaries shall not be used to channel payments to any person or persons, including public officials or customer employees.

### **We build ties with subcontractors who act like us**

We rely on subcontractors to help us execute some projects and value the contribution they make to ABB's customer relationships and to the company's reputation. To protect and enhance ABB's reputation, we choose subcontractors who will act in a manner consistent with this Code of Conduct.

### **We team up with like-minded partners for joint ventures and alliances**

ABB's strength and success also depends on building long-lasting relationships with partners that share our commitment to ethical business principles. The standards of any joint ventures should be compatible with ABB's.

### **We extend standards of openness to lenders and export credit agencies**

ABB will disclose all relevant material facts for obtaining financing from an export credit agency or other governmental lenders. It is also company policy to disclose all material facts that would be responsive to any prospective lender's analysis. Certificates issued by ABB as an export credit agency supplier or exporter must be signed in accordance with ABB's compliance regulations and standards.

# Responsibility

## We show responsibility when we observe the highest ethical standards in our interaction with government

**ABB interacts with different groups of stakeholders including customers, suppliers, shareholders, the media, non-governmental organizations and local officials. The interaction of employees with governments around the world is of particular importance. In this section, guidelines are set out on working with officials and when, if at all, political contributions are allowed.**

### **We cooperate fully with officials**

ABB does business in about 100 countries and values good relations with governments. National and local governments around the world have specific and varied procurement laws to protect the public interest. They generally prohibit offering benefits to individual officials and often include limitations on hiring current or recently retired officials. Any conduct that may be viewed as improperly influencing objective decision making is forbidden.

ABB employees must be truthful and accurate in interactions with government officials and observe the highest ethical standards when conducting business with government representatives.

In dealing with a government, employees are responsible for knowing and complying with applicable laws and regulations, and must not contact government officials on behalf of the company unless it is their job.

### **We let employees contribute to public affairs in their own time**

Employees are free to contribute (without company reimbursement) to a political candidate or party using their own personal time, money or other resources.

ABB funds, property or services must not be used to support any candidate for political office, political party, official or committee anywhere in the world. Any exceptions to this rule must be cleared in advance with Group Function – Legal Affairs & Compliance.



## Respect

We show respect for each other when we help each other to succeed

The people who work at ABB come from many different countries, backgrounds and cultures. We can only appreciate the contribution of each individual if we observe normal standards of courtesy and respect when interacting with one another. ABB will also be judged by outsiders according to the way they are treated in their business dealings with the company. Clear and regular communications, diversity, equality of opportunity and upholding health and safety are essential to fostering a work environment in which everyone will feel welcome and comfortable.

### We foster regular and open communication

Regular communication between managers and their teams is key to business success. This communication, which usually takes the form of meetings and briefings, should cover business strategy, long-term objectives and short-term priorities. Complemented by support from ABB Group in the form of newsletters, Web sites, training, presentations, etc., communication between employees and their superior should include making clear how employees are contributing to ABB's business goals.

Employees have a right to receive their superior's assessment of their performance, which is expected to ascertain progress and, where appropriate, to include proposed plans for further development.

### We value mutual respect and privacy

The privacy of personal information – whether from employees, customers, contractors or vendors – is to be respected at all times. Employees must collect, use, store, handle, and disclose individual personal information in accordance with the ABB privacy policies and applicable laws. Employees may, however, not claim any privacy privileges for communications transacted through the ABB facilities, beyond those provided by local legislation.

Subject to local legislation, ABB is authorized to supervise the use of e-mail and the Internet. All e-mail and Internet communications made through ABB facilities are treated as ABB business information and so may be accessed, retrieved, monitored and disclosed by ABB.

### **We celebrate diversity**

ABB views diversity as an asset. Dozens of different businesses in countries around the world have come together over the years under the ABB umbrella and ABB's culture welcomes them all, regardless of gender, nationality, age or physical ability, or any other aspect of diversity. Employees must conduct their business activities with co-workers, customers, stakeholders and business partners with respect for all people without regard to differences or similarities.

ABB hires and promotes people based on their abilities. Employees should not engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on gender, age, ethnic and national origin, caste, religion, disability, sexual orientation, union membership or political affiliation.

### **We work to create an environment free of harassment**

Employees won't feel welcome and comfortable at ABB if they, their coworkers or anyone who has business dealings with ABB faces harassment. Harassment – be it face-to-face, written, electronic or verbal – won't be tolerated.

Harassment can take many forms. People may feel harassed by slurs, intimidating or aggressive acts or words, by derogatory jokes or inappropriate gestures or by unwelcome physical or verbal conduct. Harassment can also be the communication or display of offensive material linked to any of the aspects of diversity mentioned above, such as gender, religion, race, nationality, sexual orientation or physical ability.

### **We set the highest health and safety standards**

It is our duty to our colleagues, their families and their communities to safeguard the health and safety of every employee at work. ABB's stringent health and safety policies and reporting requirements are in place to protect the lives and good health of employees.

ABB's ground rules for employees are: work safely and protect yourself, your co-workers, the community and the environment. The policies, procedures and programs apply worldwide to promote safe and healthy working conditions, protect the environment, and support the Group's commitment to compliance with applicable laws and regulations.

You should know and comply with the law and related company policies if you have responsibilities in areas that are subject to safety and/or environmental regulations.

It is also imperative to report dangerous conditions and other unacceptable health, safety or environmental conditions immediately so that workplace accidents are minimized and corrective actions can be taken.

# Respect

## We show respect when we acknowledge our wider social responsibilities

**We at ABB pride ourselves in being “at home” in the communities in which we operate. Observance of the rule of law is a basic, underpinning our license to operate.**

In this section, we look at what ABB can expect from employees in areas ranging from compliance with the law to protection of the environment. Promoting a sustainable approach to business, both in the way in which we operate and the technologies we provide, are key elements of good corporate citizenship, of being “at home” globally.

### **We respect the law**

Upholding ABB’s reputation for integrity requires absolute compliance with the law for ABB and all employees. Employees are expected to be familiar with the law as it applies to their job and management is expected to provide necessary instruction and advice.

For example, ABB is strongly committed to non-discriminatory and fair standards, to the protection of the environment and to the health and safety of employees.

ABB expects employees to comply with all laws designed to protect health, safety and the environment, to obtain all required permits and to operate facilities in strict accordance with the relevant laws.

Due to the complex regulatory framework within which ABB conducts business, issues of legal compliance may arise. On occasion, there may be disagreement on whether ABB is in full compliance with the law and litigation may occur. At all times, ABB will act responsibly and abide by the final decisions rendered by the courts.

Issues of compliance with the requirements of governmental agencies may also arise. It is important for ABB management to be informed of any such issues at an early date.

Employees have a responsibility to inform management immediately if there is any indication that such an issue may exist.

### **We promote sustainable development**

Every ABB employee contributes to achieving the company’s sustainability goals by supporting economic progress, environmental stewardship and social development. One aspect involves taking appropriate initiatives that improve the quality of life in the communities and countries where ABB operates.

Sustainability means that ABB treats all stakeholders in a socially responsible manner. Employees can contribute by promoting open dialogue with stakeholders on ABB’s economic, social and environmental contributions and performance.

To do so, employees should familiarize themselves with ABB’s policy on sustainability, and its economic, environmental and social requirements.

### **We support environmental responsibility**

All ABB employees have the responsibility to comply with the letter and the spirit of environmental laws and regulations and respect the environment, wherever they work.

### **We are active members of our communities**

Just as ABB, on a corporate level, strives to exercise citizenship by reaching out to the wider community – through specific projects, charitable donations and practical support for worthy initiatives – the company also encourages individual employees to make an active civic contribution.

# Reporting non-compliance

ABB is a decentralized group and ABB companies are expected to take their own independent decisions on various business issues.

However, the standards addressed in this Code of Conduct represent the core of ABB's group culture and commitment. Group-wide and uniform compliance is essential and every employee is responsible for upholding these principles.

All employees are required to report any suspected or observed violations of the law, of this Code of Conduct or of company policies – or if they are asked to do something that might be a violation. Reports may be made to your supervisor, a representative from Group Function – Legal Affairs & Compliance, your local or regional compliance officer, the chief compliance officer or the ABB Business Ethics hotline.

Employees may report possible violations anonymously by using the Business Ethics hotline or by sending an e-mail to the chief compliance officer at [ethics.contact@ch.abb.com](mailto:ethics.contact@ch.abb.com), using an outside e-mail account that does not reveal their name (there are many free services such as Yahoo, Gmail, Hotmail, etc.). Employees must be aware, however, that anonymous reports may be more difficult to investigate.

Confidentiality will be maintained to the fullest extent possible. Retaliation against any employee who in good faith reports a concern to the company about illegal or unethical conduct will not be tolerated and be subject to disciplinary action. The same applies to any intentional abuse of these reporting processes.

Employees who have questions about a specific situation should ask for help by using any of the aforementioned contacts. The key is to speak up and bring concerns into the open so that problems can be resolved quickly before serious harm can occur.

It is also a breach of this Code of Conduct to fail to report a violation or suspected violation that employees know about or to refuse to cooperate with the investigation of a suspected violation.

## Penalties for violation

Each employee is responsible for ensuring that his or her conduct and the conduct of anyone reporting to the employee fully comply with the applicable laws, this Code of Conduct and the company policies. Compliance, both personal and by subordinates, will be a factor in periodic performance appraisals.

ABB applies “zero tolerance” and will take disciplinary action, up to and including termination of employment, against employees who violate the law, this Code of Conduct or company policies.

# Contact us

## **ABB Ltd**

P.O. Box 8131

CH – 8050 Zurich Switzerland

Phone: +41 (0) 43 317 7111

Fax: +41 (0) 43 317 7321

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