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OCTOBER 2023

# Declaration of Principles of Protecting Human Rights

## 1. Introduction

The ABB Group, headquartered in Zurich, Switzerland, looks back on a tradition of more than 100 years as a company operating in a responsible way. Recognizing and protecting human rights and the environment are part of our self-image. This declaration of principles expresses our responsibility within our value and supply chain. We implement applicable laws and regulations, respect internationally recognized standards, and take care to prevent human rights and environmental risks and violations in the course of our business activities, as well as providing affected parties with access to remedies or complaint channels.

This declaration of principles according to Sec. 6 para. 2 German Act on Due Diligence in the Supply Chain (*Lieferkettensorgfaltspflichtengesetz, LkSG*) applies to ABB AG, Mannheim, and its subsidiaries ABB Stotz-Kontakt GmbH, Heidelberg, and Busch-Jaeger Elektro GmbH, Lüdenschaid, which fall within the scope of the LkSG. All companies mentioned are fully part of the ABB Group.

## 2. Our Human Rights Strategy

For ABB, respect for and promotion of human rights and environmental standards are top priorities, as is the highest possible level of occupational safety and integrity. ABB considers the protection of human rights and the environment as a central element of its corporate responsibility.

We are committed to respecting internationally recognized human rights in our own business activities and along our value and supply chains. This includes in particular, but not limited to:

- The ban of any form of (modern) slavery and human trafficking.
- The ban on child labor.
- Health and safety and workplace security.
- Fair employment.
- Freedom of coalition of employees.
- Respecting local communities and land rights.
- Mutual respect, regardless of age, disability, religion, social origin, ethnic or cultural diversity, gender or sexual orientation and identity.

We base our strategy, policies and processes for respecting human rights and the environment, in particular but not limited to, on the following international standards and frameworks:

- International Bill of Human Rights.
- ILO Core Labour Conventions, including ILO Convention No. 138 on minimum age for admission to employment and ILO Convention No. 182 on the worst forms of child labor.
- UN Convention of the Rights of the Child
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- OECD Guidelines for Multinational Enterprises
- Ten Principles of the UN Global Compact (UNGC)
- UNICEF's Children's Rights and Business Principles (CRBP)
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- Voluntary Principles on Security and Human Rights

### **3. Expectations towards our Employees and Suppliers**

The importance of and our commitment to respecting human rights and the environment are reflected in already established corporate guidelines. ABB has had its own comprehensive ABB Code of Conduct already since 2004, which is continuously updated and clarifies our high standards in the areas of human rights and the environment, among others, and to which all ABB employees are required to adhere. ABB has also established a [Human Rights Policy and Statement](#), a [Health, Safety, Environment, Security and Sustainability Policy](#) and an [ABB Policy on Conflict Minerals](#) and issued a [Modern Slavery and Human Trafficking Statement](#).

We expect our suppliers to comply with our [ABB Supplier Code of Conduct](#) which has been in place since 2010 and is also updated on an ongoing basis. It is based on the 10 principles of the aforementioned United Nations Global Compact and contains comprehensive commitments to respect human rights and environmental standards, among other things. The Supplier Code is accompanied by our [ABB Supplier Sustainability Implementation Guide](#), a practical guide on how to implement the requirements of the ABB Supplier Code of Conduct in detail. In addition, we expect our suppliers to stand up for committing their suppliers to these standards as well.

### **4. Description of the Processes to Comply with the Due Diligence Obligations**

Basis of our actions in the context of supply chain due diligence is a comprehensive risk analysis. We examine the human rights and environmental risks and any impacts arising from our business activities on an annual basis as well as on an ad hoc basis if need be. The risk analysis is updated immediately if there is a change in our business activities or if we receive substantiated knowledge of specific risks or violations.

When preparing the risk analysis we take into account the nature and scope of ABB's business as a global company with correspondingly global supply chains. We use digitalized risk data and analysis processes and conduct the risk analysis in our own business area, for our

suppliers and for other business partners. All processes and measures are documented on an ongoing basis.

To support and monitor the due diligence requirements and processes, we have appointed a Human Rights Officer for ABB AG and its named subsidiaries.

#### **a) Risk Analysis**

Our approach is based on systematic data collection and processing to identify human rights and associated environmental risks. To this end, we have been installing appropriate processes throughout the Group since 2013. These include a **Sustainable Supply Base Management (SSBM)** and supplier onboarding using SAP Ariba. As part of this, suppliers are screened on the basis of internal and external data sources according to a risk matrix that takes into account geographical and material risks as well as operational characteristics and sales volumes.

#### **b) Preventive Measures**

If, on the basis of the risk analysis, we identify a relevant risk to human rights or to the environment at our company or at a supplier, we take preventive measures. The range of measures is diverse; preventive measures include:

- implementation of our strategy for human rights and the environment in our business operations, particularly in supply chain by means of appropriate guidelines and processes;
- consideration of our expectations regarding human rights and the environment in the selection of our suppliers;
- screening of (potential) suppliers through our Third Party Management Program (due diligence), in the first step using comprehensive questionnaires;
- requiring our suppliers to comply with these expectations and to address them with their suppliers (acknowledgement of the ABB Supplier Code of Conduct by our suppliers; use of appropriate clauses in our purchasing contracts and purchasing T&Cs);
- training for employees of our own company and of suppliers;
- controls, including on-site audits. and supplier improvement programs, where needed”

Other preventive measures can be taken on a case-by-case basis corresponding to a specific risk situation or category. We determine which measures are taken in individual cases, in particular with regard to our suppliers, on the basis of need and risk, depending on the type and severity of the identified risk and appropriateness criteria such as influence capability and contribution to cause.

### **c) Remedial Measures**

If we determine that a violation of a human rights or environmental obligation has occurred or is imminent at our company or at a supplier, we immediately take appropriate remedial action to prevent, stop or minimize the extent of such violation.

Should behavior of ABB employees lead to a violation of human rights or related environmental rights, we will counteract this and sanction it accordingly.

We expect full cooperation from our suppliers in clarifying and ending possible human rights and environmental risks or violations. In the event of serious violations, if appropriate remedial measures have not been implemented after an agreed implementation period, or if no other less stringent measures are effective, we reserve the right to take legal action, temporarily suspend the business relationship, or terminate it as a last resort.

## **5. Prioritized Risks**

Based on our risk analysis, we have – in line with our activities as part of the global ABB Group – identified general country-specific risks as our priority human rights-related risks and specific compliance with our substance prohibition lists as our priority environment-related risks. Thus, in accordance with the aforementioned risk matrix, we have identified a certain number of suppliers to ABB AG and its aforementioned German subsidiaries that are located in countries with a general higher risk and exceed a certain sales threshold in recent years with ABB. These suppliers were reviewed according to our described supplier review processes and, if necessary, were additionally qualified.

## **6. Effectiveness Control and Regular Review**

Our aforementioned processes for implementing the human rights and environmental due diligence obligations under the LkSG are reviewed regularly – at least once a year – as well as on an ad hoc basis if need be. Findings from information received via our reporting channels are also included in the review.

Likewise, this declaration is adjusted depending on the progress or further development of our risk analysis and in the event that specific prevalent risks are identified.

## **7. Complaints Procedure**

Already since 2006, ABB has been maintaining a group-wide system and protected **channels for reporting** violations of external and internal rules, including human rights or environmental risks or violations of human rights or environmental obligations arising from the economic activities of ABB or ABB's business partners. The channels are open to both ABB employees and all external third parties.

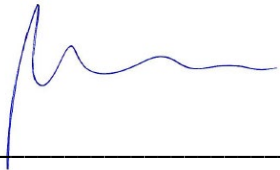
For more detailed information on this reporting system, please refer to our Rules of Procedure pursuant to Section 8 of the LkSG, **which can be accessed here**.

## 8. Reporting

The annual reports of ABB AG and its named subsidiaries according to Sec. 10 para. 2 LkSG are published [online here](#). In addition, ABB has been annually publishing its global **ABB Sustainability Report** for the entire ABB group since 2010. It contains the relevant activities, measures and progress made by the ABB group to protect human rights and the environment in the supply chain.

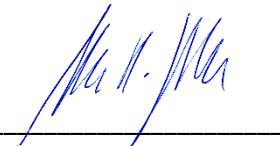
ABB AG

Mannheim, October 2023



Markus Ochsner

Chairman of the Board of Directors



Alexander Zumkeller

Member of the Board of Directors and Labor Director