

# **ABB Norway Transparency Act Declaration**

# Duty to carry out due diligence in accordance with the Norwegian Transparency Act.

#### **About ABB**

ABB (ABBN: SIX Swiss Ex) is a leading global technology company that energizes the transformation of society and industry to achieve a more productive, sustainable future.

ABB has four, customer-focused, globally leading businesses: Electrification, Industrial Automation, Motion, and Robotics & Discrete Automation, supported by the ABB Ability™ digital platform.

By connecting software to its electrification, robotics, automation and motion portfolio, ABB pushes the boundaries of technology to drive performance to new levels. With a history of excellence stretching back more than 130 years, ABB's success is driven by about 105,000 talented employees in over 100 countries. We embed health, safety, environment, energy efficiency and security into all aspects of our business, and we are committed to achieving excellence and continuous improvement while doing so. With manufacturing operations on six continents, ABB has approximately 70,000 direct material and project service suppliers. We view these suppliers as an extension of our global enterprise and integral to our long-term success

# Company approach and principles

We fully acknowledge our responsibility to respect human rights as set out in the International Bill of Human Rights and are committed to implementing the United Nations Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises

throughout our operations. Respect for the dignity of the individual and for the importance of each individual's human rights forms the basis of the behaviors we expect of every individual who works for us, either as a direct ABB employee or indirectly through our supply chain. We do not accept any form of discrimination, harassment or bullying within ABB or its supply chain. To this end we require all of our managers to implement processes designed to ensure equality of opportunity and inclusion for all ABB employees as well as for individuals employed in our supply chain. These include requiring suppliers to take measures to avoid any form of forced, bonded or compulsory labor (or any other kind of modern slavery or human trafficking). Recognizing the extremely complex nature of modern slavery, we continue to emphasize the importance of collaboration and learning from others. We engage with human rights NGOs and are long-standing members of the Global Business Initiative on Human Rights and the UN Global Compact.

#### Codes and policies

ABB operates a range of key policies and processes that help us to ensure respect for fundamental human rights and decent working conditions within our operations and our value chain.

The <u>ABB Code of Conduct</u> is the framework that explains the behavior ABB expects of every employee and stakeholder around the world. It is based on ABB's business principles: responsibility, respect and determination.

ABB Policy on Health, Safety, Environment, Security and Sustainability; "We are committed to putting HSE and Security at the heart of all our activities, including materials sourcing, product design,

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operations and services. In addition to fulfilling our compliance obligations to legal and other requirements, we commit to:

- Provide safe and healthy working condition for the prevention of incidents and work-related illness.
- Protect and prevent undesired effects on the environment, increase resource efficiency, including energy, water, materials, and support efforts to combat climate change.
- Ensure the availability of information and invest to achieve our objectives and targets
- With being a learning organization promote a "don't look the other way" culture to raise awareness and ownership, reporting unsafe behaviours, engage employees and recognizing good practices".

ABB Social Policy: "ABB's Social Policy is based principally on six sources: The Universal Declaration of Human Rights, The UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the Global Sullivan Principles and the Social Accountability 8000 (SA 8000) standard". Human rights policy and statement (abb.com); "ABB is committed to developing an organizational culture which implements a policy of support for internationally recognized human rights and seeks to avoid complicity in human rights abuses. We support the principles contained within the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Core Conventions on Labour Standards".

ABB SA-S-501 Human Rights Requirements

ABB SA-S-501-01 Human Rights Approved Code of Practice (ACOP)

ABB Policy on Conflict Minerals

**ABB Ltd Modern Slavery Statement** 

#### Risk assessment

ABB conducts due diligence assessment, in our own business and in the value chain of suppliers and ABBs business partners, as required by the Norwegian law <u>LOV-2021-06-18-99 Transparency Act.</u>
ABB considers the main risks to be in supply of products and services to ABB.

To mitigate the risks, the human rights criteria are included in the risk review process as the screening of major ABB projects, in the prequalification process/assessment of ABB suppliers, and in our process for examining potential ABB mergers and acquisitions. Our due diligence processes range from desktop research to site visits and the initiating of third-party reports, as needed. In conducting this work, we emphasize internal risk assessment processes and research into potentially high-risk projects or operations in high-risk countries. Per today we focus on tier one suppliers in 16 priority sustainability high-risk countries.

The Sustainable Supply Base Management (SSBM) approach will integrate sustainability principles into ABB's supplier selection and qualification processes. We cover issues in six main categories: general management, labor rights, social benefits, health, safety and the environment. Risks related to modern slavery and human trafficking are specifically addressed in the training programs and assessment protocols.

ABB uses a sustainability risk matrix for screening the supply base for sustainability risk. This matrix is composed of three risk dimensions:

<u>Country risk</u> - high risk countries with higher risk exposure for corruption and law enforcement, labour and human rights

<u>Category risk</u> - high risk categories with higher risk exposure for hazardous manufacturing processes with regards to health, safety and environment

<u>Economic risk</u> - high risk to ABB due to significant spend or strategic dependence on the supplier. ABB-wide supply base risk screening is performed on an annual basis by Procurement & Logistics practice, in Q4, to inform the SSBM supplier selection process for the following year. The supplier nominations are being finalized by end of December for following year.

## **Supply Chain**

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<u>ABB's Supplier Code of Conduct</u>, published in 16 different languages, communicates our expectations and performance standards to existing and potential business partners. It is one of our suppliers' contractual obligations, as part of ABB's general terms and conditions.

Building relationships with best-in-class suppliers is essential for our success. Consistent with ABB's purpose and values, we require our suppliers to work in a way that is ethically, socially, environmentally and economically responsible.

ABB operates a supplier registration and qualification system for new suppliers. The supplier qualification process (SQP) evaluates the performance of potential suppliers on broad sustainability parameters such as health & safety, environment and working conditions, as well as quality, compliance and financial factors. This process includes a review of supplier commitments related to modern slavery and human trafficking.

# **Training**

While governance and risk analysis are vital to ABB's ability to respect and promote human rights, ABB believes that fundamental, enduring progress is only possible if all ABB employees are aware of the basics of human rights – as defined in the International Bill of Human Rights and the UNGPs – and the most detrimental violations, such as child labor, modern slavery and forced labor.

To that end, ABB continues to develop new resources that raise awareness and put human rights principles into concrete business practices. These tools range from articles and newsletters to practical case studies illustrating how human rights challenges play out in day-to-day business – and how they are remedied.

ABB runs an extensive capacity building program Human Rights Awareness Training to both management and functional roles to manage potential human rights issues and, importantly, to grasp the impact of human rights risks on both people and business - within each Business Areas & Local Divisions. In additional ABB has so far trained among 100 Human Rights Champions, who provide advice to our business on how to identify, mitigate and avoid human rights risks, among other activities.

## **ABB Reporting channels**

Employees are not just encouraged but are required to speak up and to report any suspected or observed violations of the law, the ABB Code of Conduct, or if they are asked to do something that might be a violation. Reports may be made to a supervisor, a regional or country Human Rights Champion, the chief integrity officer, or the ABB Business Ethics Helpline. Employees are welcome to be anonymous or self-identify, but it is not a requirement, and the process is design

All stakeholders that have a business relationship with ABB can make a report by telephoning the ABB stakeholder helpline at + 41 43 317 33 67 or by submitting a web report through the https://abbgroup.ethicspoint.com portal hosted by Navex.

#### Right to information

Upon written request, any person has the right to information from ABB regarding how ABB addresses actual and potential adverse impacts pursuant.

Please send request to:

Email: contact.center@no.abb.com
ABB AS, Snarøyveien 30, 1360 FORNEBU

The due-diligence report shall be updated and published in ABB NO annual report no later than 30 June of each year and otherwise in case of significant changes to the enterprise's risk assessments.

Per Erik Holsten

2022-07-01

Country Managing Director, ABB Norway

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