

---

EXTERNAL ABB DOCUMENT- ISSUED BY CORPORATE FUNCTION TAX, CF-TA

# ABB UK tax strategy

ABB is committed to the highest standards of corporate governance and responsibility. Such standards also apply to the management of tax affairs.

## Introduction

This tax strategy document applies to ABB Holdings Limited and all the UK legal entities within the ABB group (the “UK Group”). The publication of this UK strategy statement is regarded as satisfying the requirements of Schedule 19 of the Finance Act 2016.

This tax strategy document is effective for the financial year ending 31 December 2024. The tax strategy statement is reviewed annually and approved by the UK Executive Board.

## ABB’s approach to Tax

ABB understands the role taxes play in achieving the UN Sustainable Development Goals, and that taxes are a key mechanism by which organizations contribute to the economies of the countries where they operate.

In alignment with its business and sustainable development strategies, ABB aims to achieve a long-term sustainable approach to the management of tax affairs, having regard to relevant domestic tax laws and international standards.

As a responsible global corporate tax citizen, ABB is committed to comply with the letter and the spirit of applicable tax laws and regulations in the countries where it operates and only engages in business transactions which support genuine commercial activity. In areas of uncertainty or particular complexity, ABB seeks advice from external tax advisors.

ABB does not adopt tax schemes based on form without economic substance nor use tax havens, hybrid instruments and/or entities in structures that result in tax avoidance, double deduction or no taxation.

ABB operates globally. As a result, there are many intra-group transactions between ABB Group companies. The pricing for these intra-group transactions follows the arm’s-length principle, in line with internationally recognized standards for cross-border transactions<sup>1</sup>. Transfer pricing is driven by the activities undertaken and the value created. This approach is consistently taken in all countries where ABB operates.

ABB is committed to maintaining an open and honest dialogue with tax authorities and is engaged to resolving any issues in a constructive and timely manner. Where appropriate, we will seek to obtain pre-transaction clearances to reduce or even eliminate uncertainty.

---

<sup>1</sup> the OECD transfer pricing guidelines for multinationals

ABB has regular, open dialogue and meetings with HMRC. Day to day interactions with the HMRC CCM team are managed by the UK Tax Function.

### **ABB's tax governance**

The day-to-day management of the UK Group's tax affairs is provided by the UK tax team who partners with ABB's Business Areas, Divisions and Functions to implement the tax strategy and proactively manage tax risks.

The group employs suitably qualified and experienced staff covering all aspects of UK taxation, and also utilizes the services of external tax advisors as required.

Activities related to UK taxation are regulated by the ABB's Code of Conduct, internal control guidelines and external Corporate Governance.

Roles and responsibilities between the various stakeholders are clearly defined. Relevant training is delivered to key internal stakeholders as required.

The UK Group is within the scope of the UK Senior Accounting Officer ("SAO") legislation and the SAO is responsible for ensuring the UK Group establishes and maintains appropriate accounting and tax compliance arrangements.

ABB is also aware of its responsibilities under the Corporate Criminal Offence legislation and continues to actively manage the risk of failing to prevent the facilitation of tax evasion.

### **ABB's Tax Control Framework**

ABB has developed a Tax Control Framework ("TCF") and follows a yearly structured approach with respect to how tax risks are identified, managed and monitored. TCF applies to all ABB companies and ABB employees dealing with tax matters.

TCF is further supported by robust reporting and control systems with the aim to deliver timely and accurate returns, declarations, payments and refund claims as appropriate.

ABB understands the importance of Tax in the broader context of business decisions and has processes in place to ensure Tax is considered as part of the decision-making process. In advance of an M&A transaction, or a significant business reorganization or project (such as investment, start-up or discontinuation of operations), or ERP implementation, the Tax Function is consulted on the potential tax implications prior to execution and evaluates the extent of required disclosures.

ABB's TCF is aligned with the ABB Enterprise Risk Management (ERM) framework. The framework follows five main components:

1. Control environment: demonstrates ABB's commitment to integrity and ethical values, as well as establishes the structure, authority, and responsibility of the different parties involved in maintaining ABB's TCF.
2. Risk assessment: identifies, analyzes, and mitigates risks within the tax function, including operational, financial reporting, and compliance risks.
3. Control activities: designs and rolls-out standard process level controls to address ABB's Tax risk catalog, including a systematic approach for quarterly control self-assessment and the implementation of control strategies in different levels of the organization and jurisdictions.
4. Information and communication: ensures that data used to compute Tax relevant information is accurate, reliable and communicated with all stakeholders involved in ABB's TCF.
5. Monitoring activities: conducts an ongoing risk assessment and evaluates control deficiencies to ensure sustainable remediation.

ABB has established appropriate means, with adequate processes and resources to adjudicate any potential non-compliance, unethical conduct, or unlawful behavior in tax matters in a timely manner through a dedicated pool of investigators with oversight of all alleged Code of Conduct violations.

**ABB TAX POLICY**

For more information please contact:

**ABB**Asea Brown & Boveri Ltd

Affolternstrasse 44, 8050 Zurich,

Switzerland

Tel: +4 143317 7111

E-mail: [www.abb.com/sustainability](http://www.abb.com/sustainability)