
ABB Ltd

Modern Slavery Statement

This statement is issued pursuant to the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 for the financial year ending December 31, 2022. The information in this statement has been approved by the Board of Directors of ABB Ltd. The scope of markets included in this statement covers our operations worldwide, including those of our direct and indirect subsidiaries.

About ABB

ABB (ABBN: SIX Swiss Ex) is technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. The company's solutions connect engineering know-how and software to optimize how things are manufactured, moved, powered and operated. Building on more than 130 years of excellence, ABB's ~105,000 employees are committed to driving innovations that accelerate industrial transformation.

ABB operates in more than 100 countries across three regions: Europe, the Americas, and Asia, Middle East and Africa. We are headquartered in Zurich, Switzerland.

We manage our company through four business areas: Electrification, Motion, Process Automation and Robotics & Discrete Automation, supported by the ABB Ability™ digital platform. In December 2022, we divested to Hitachi ABB's remaining 19.9 percent equity stake in the Hitachi Energy joint venture that was formed from our Power Grids business in 2020.

ABB serves three main customer segments: industry, transport and infrastructure and utilities, with about half of our customers in the industrial segment. Globally, we serve both process industries, such as oil and gas, mining, and pulp and paper, and discrete industries, such as automotive, food and beverage and consumer electronics. Our automation, software and digital solutions help industrial customers improve safety, uptime, energy efficiency and productivity as well as reduce waste and keep equipment in service for longer.

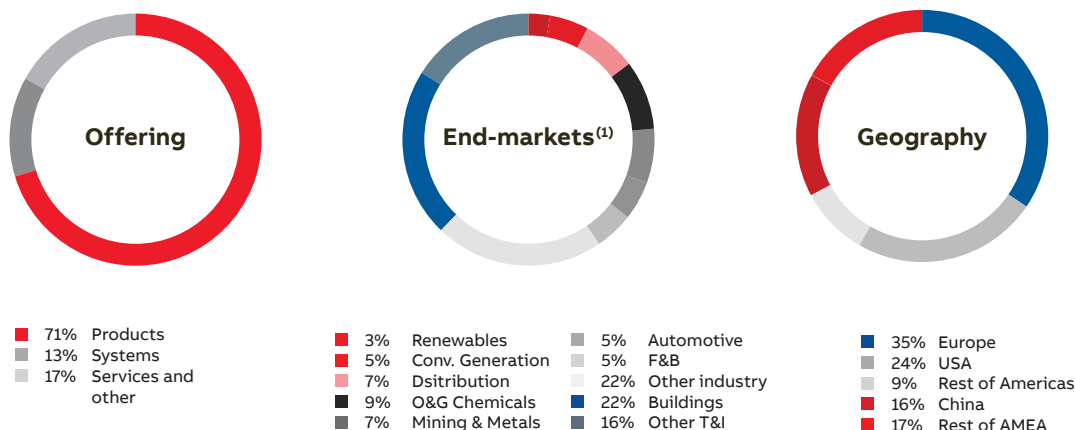
Approximately one-third of our customers are active in the transport and infrastructure sector. We supply them with electrification and automation solutions that improve power quality and reliability, integrate renewables, and reduce operating costs, energy consumption and greenhouse gas emissions.

ABB delivers solutions mainly for distribution utilities and renewables customers, while continuing to service conventional power generation customers with our control and automation solutions. Following the divestment of our Power Grids business to Hitachi on July 1, 2020, our exposure to the utilities market has decreased significantly.

In Australia, the history of ABB goes back to the late 19th century. Today, ABB has operations in Sydney, Brisbane, Perth and Melbourne and revenues of approximately AUD 0.5 billion. With 630 employees at our 12 sites, customers are served through an extensive nationwide network.

ABB in the UK is headquartered in Warrington, Cheshire, and employs 1,750 people at 22 locations nationwide. We supply around £0.5 billion of innovative solutions, products and services annually in the UK to clients in a wide range of market sectors.

ABB Group revenues in 2022 by offering, end-markets and geography



Company approach and principles

ABB's commitment to responsible business practices includes respecting and promoting human rights as expressed in the International Bill of Human Rights. We support the principles contained within the OECD Guidelines for Multinational Enterprises and the International Labour Organization (ILO) Core Conventions on Labour Standards and are committed to implementing the United Nations Guiding Principles on Business and Human Rights (UNGP) throughout our operations and along the value chain.

Respect for the dignity of the individual and for each individual's human rights form the basis of the behaviors we expect of every individual who works for us, either as an ABB employee or indirectly through our supply chain. We do not tolerate any form of discrimination, harassment or bullying within ABB or its supply chain. To this end, we require all 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 form 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 and active members of the Global Business Initiative on Human Rights and the UN Global Compact.

Codes and policies

ABB has in place a range of policies and processes aimed at preventing child or forced labor within our operations and our value chain. These include the ABB Code of Conduct, the ABB Supplier Code of Conduct, the ABB Policy Combating Trafficking in Persons, the ABB Policy on Conflict Minerals, our Human Rights policy and statement, our Social policy, our supply chain and contractor questionnaires, as well as internal policies and guidelines.

Every employee is responsible for ensuring that his or her conduct and the conduct of anyone reporting to them is fully compliant with applicable laws, the ABB Code of Conduct and all company policies.

We have multiple reporting channels for raising integrity-related concerns and we actively encourage employees to use them. Employees may raise concerns directly with any representative of management or with Human Resources or our Legal & Integrity team. ABB has zero tolerance for any form of retaliation or retribution. In addition, the ABB Business Ethics Helpline provides both employees and other stakeholders with a web portal and telephone hotline to report suspected violations of the ABB Code of Conduct, the ABB Supplier Code of Conduct, or applicable laws. One-click access to the Helpline web portal is also available from ABB's publicly available Code of Conduct mobile app.

⁽¹⁾ Management estimates

Risk identification and assessment

Human rights criteria are part of the standard risk review process for screening major ABB projects, for pre-qualification and assessment work with ABB suppliers, and for examining potential mergers and acquisitions. We have also established a human rights self-assessment process for our own sites. We are continually evaluating and adjusting these processes to ensure they meet legal requirements as well as the expectations of ABB's stakeholders.

In 2022, we enhanced our "Third Party Management" (TPM) program. These enhancements bolster our risk-based approach to selecting new third parties and aim to enable more effective oversight and monitoring of their activities and overall performance. In 2023, we will extend the application of the enhanced TPM program and processes to our existing third-party population, further enhancing our management of third-party risk.

We also continued our program for conducting human rights self-assessments at selected ABB sites. This program was piloted in 2021, with 50 sites in 26 countries undertaking the assessment. Following a review of the pilot, the program was revised and improved before being systematically promoted and implemented across all of ABB's business areas. In total, 58 sites in 25 countries undertook the assessments in 2022. The program will continue in 2023.

In 2022, we also undertook a high-level human rights risk assessment and a review of our human rights due diligence (HRDD) framework to identify key gaps and potential measures for improvement. The reviews were conducted at the Group level and involved a range of internal stakeholders and subject-matter experts, as well as desktop research. The reviews were facilitated by external human rights experts and conducted according to the requirements of the OECD Guidelines and UNGPs. External stakeholder engagement will be undertaken as a next step to validate the conclusions.

Our human rights risk assessment covered all internationally recognized human rights, as per the Universal Declaration of Human Rights.

For ease of analysis, they were clustered into 12 human rights issues. We mapped our full value chain and identified the human rights risks per value-chain element, considering all potentially affected people. The findings were then consolidated into a high-level human rights risk map with risks prioritized according to their severity and likelihood. This provided the basis for an updated risk matrix, with salient human rights issues consolidated at the Group level. Inherent risks were evaluated, without considering existing preventive or mitigation measures.

For the review of our HRDD framework, we assessed the current implementation status of the six core elements of HRDD – policy commitment, risk and impact assessment, risk-based measures, embeddedness, tracking and communication, grievance and remedy – assigning scores for 31 criteria. The study concluded that ABB has a solid approach to managing human rights. It also identified a range of key actions that need to be undertaken to reach our targets.

Main actions for 2023 include:

- Updating ABB's human rights policy to better align with international requirements;
- Conducting gap and risk assessments at business level to define business-specific actions and appropriate governance systems;
- Refining the Group-wide human rights risk management system and human rights roadmap to ensure appropriate risk-based measures are in place and regular risk assessments are conducted.

ABB has internal reporting and allegation management processes to deal with any alleged violations of ABB's Code of Conduct, including matters relating to human rights. Our allegation management team aims to listen attentively and respond swiftly to employee concerns and manage a fair justice adjudication process aligned with our values. In the past year, we received no reports of child labor, forced labor or threats to freedom of association with respect to our employees.

Salient human rights

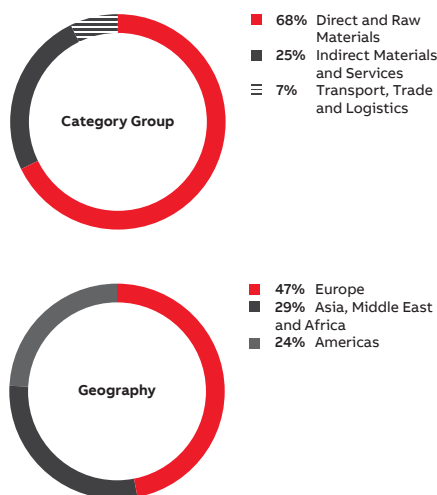
Environmental issues impacting human rights	Child labor	Impact on communities and land rights
Contributing to conflict and use of force	Corruption and bribery	Fair employment
Human trafficking and modern slavery	Freedom of association and collective bargaining	Information security and data privacy
Non-discrimination and harassment	Health and safety	Technological change impacting human rights

Supply chain

With manufacturing operations on six continents, ABB has more than 60,000 direct material and service suppliers. We view these suppliers as an extension of our global enterprise and integral to our long-term success.

ABB purchases a variety of supplies and products which contain raw materials for use in our production and project execution processes. The primary materials used in our products, by weight, are copper, aluminum, steel, mineral oil and various plastics. We also purchase a wide variety of fabricated products, electronic components and systems. We operate a worldwide supply chain management network with employees dedicated to this function in our business areas, divisions and in key countries. Our supply chain operations consist of a number of teams, each focusing on different product categories. The global spend on materials and services in 2022 was \$14.4 billion.

Materials and services spend by:



—
2022 Materials and services spend: \$14.4 BN

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. What this means in practice is outlined in our [Supplier Code of Conduct](#).

The ABB Supplier Code of Conduct (SCoC), published in multiple languages, communicates our

expectations and performance standards to existing and potential business partners. Adhering to it is part of ABB's general terms and conditions and therefore a contractual obligation for our suppliers.

Our Sustainable Supply Base Management (SSBM) program, first implemented in 2021, addresses sustainability topics and performance at each stage of supplier life-cycle management, forming part of our "beyond audit" initiative. Building on its successful predecessor – the Supplier Sustainability Development Program (SSDP), which operated from 2010 to 2020 – SSBM integrates sustainability principles more comprehensively into ABB's supplier selection and qualification processes. The approach is backed by risk-based monitoring that covers a broad range of suppliers and incorporates Group-wide standards and targets.

ABB's 2030 sustainability strategy includes an ambitious target to cover at least 80 percent of our supply spending in focus countries with SSBM by 2030. We have also introduced a mid-term target to cover at least 80 percent of our spend on high-risk suppliers in focus countries by 2025. Our calculation of the coverage of the SSBM program considers supplier self-assessments (such as those received during supplier onboarding and qualification) and on-site assessment processes.

Under SSBM, new suppliers registering with ABB must review and acknowledge ABB's SCoC. In addition, to qualify for consideration, suppliers must complete a self-assessment that incorporates questions on how suppliers manage issues such as labor and human rights, the environment, health and safety, and integrity, as well as management of their own supply chains. This process specifically includes a review of supplier commitments related to child labor, modern slavery and human trafficking. Depending on the results from the self-assessment and other parameters, further due diligence is carried out.

Once a supplier has become part of ABB's supply chain, a risk-based approach is used to monitor its sustainability performance, much like the procedure under the previous SSDP system. With this approach, we engage with the supplier for training, on-site assessments and follow-up audits until all deficiencies are closed. We consider geographical and commodity risks (health, safety and environmental risks associated with the manufacture and supply of certain commodities) to prioritize among suppliers selected for on-site assessments.

Risks related to modern slavery and human trafficking are specifically addressed in training programs and assessment protocols. We focus on tier one suppliers in the following 16 priority countries: Argentina, Brazil, Bulgaria, China, Colombia, India, Indonesia, Malaysia, Mexico, Peru, Poland, Saudi Arabia, South Africa, Thailand, Turkey and Vietnam.

At the end of 2022, 22 percent of spend on high-risk suppliers in focus countries was covered by our SSBM program, and 87 percent of identified risks were closed. Plans are in place to ensure that we achieve our mid-term target by 2025.

In 2022, we assessed 58 suppliers at their sites. The number of on-site assessments completed in 2022 was lower than planned due to continuing travel and access limitations in certain jurisdictions, most notably China. In many cases, virtual assessments were not possible due to limited personnel availability associated with access restrictions. Where on-site assessment possibilities were limited, we focused on closing out corrective action plans, resulting in a risk closure rate significantly above our target (75 percent) and five percentage points higher than in 2021. Planning for 2023 has been adjusted to incorporate the additional assessments remaining from 2022.

While the focus of our supplier development process is on working with suppliers to improve their performance, there are also consequences for suppliers who are unwilling to align their performance standards with our requirements. During 2022, ABB terminated business with seven suppliers due to unsatisfactory progress on their respective corrective action plans.

In other activities, we trained 26 ABB employees and 54 suppliers on applying the principles of ABB's SCoC. To strengthen ABB's monitoring and evaluation capacity, in 2022, we held further courses of ABB's lead assessor qualification training program in China and India. The program combines classroom sessions with field experience. Program graduates are authorized to perform independent SSBM assessments and follow-up audits. During the year, 18 employees from China, India and Poland were either qualified or re-qualified to be ABB lead assessors.

In 2022, we revised our method for assessing location-based risks. We also reviewed ABB's SCoC to clarify our commitments in certain key areas and to address changes in the regulatory environment since the last revision. The review process incorporated feedback from suppliers and customers

as well as consultations with both internal and external subject-matter experts. The updated SCoC will be released in 2023, along with internal and external training materials.

During the year, three cases of working conditions that could involve modern slavery at ABB suppliers were reported via our business ethics hotline. None of the allegations have been substantiated; two of these cases were still under investigation at the close of the year.

Conflict minerals

We remain focused on understanding and limiting ABB's exposure to conflict minerals, as defined by section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. We regularly request supplier information on tin, tungsten, tantalum and gold (which comprise the most prominent conflict minerals, sometimes referred to as "3TG") sourced from conflict-affected and high-risk areas (CAHRAs), as defined under EU Regulation 2017/821. We filed ABB's annual Conflict Minerals Report with the U.S. Securities and Exchange Commission for the ninth consecutive year, summarizing ABB's approach to minerals and the status of our programs.

ABB's efforts to source minerals responsibly are reinforced by the ABB Policy on Conflict Minerals and our continued collaboration with the Responsible Minerals Initiative (RMI), which works to encourage smelters and refiners to undergo audits aligned with OECD guidelines.

Under our own internal programs, we also cooperate with suppliers on an ongoing basis to ensure that ABB's products do not contain minerals from mines that support or fund conflict within the Democratic Republic of Congo or adjoining countries and CAHRAs.

Training

ABB conducts an extensive capacity-building program, targeting both management and functional roles, to raise awareness of human rights at all levels of our organization and to embed human rights expertise in every business area and division.

Awareness training consists of both an e-learning module available to all ABB employees and a more detailed session targeted at management. In 2022, 4,687 employees completed the general human rights e-learning course. We also deliver customized programs for three specific job roles exposed to human rights risks – marketing & sales, procurement and operations.

In 2022, a further 1,068 managers received general human rights awareness training via interactive sessions while 438 marketing & sales managers, 257 operations managers and 312 procurement managers received targeted human rights training.

In 2022, we also expanded the target roles to include ABB security managers, launching a series of trainings on human rights and security. We trained teams in the Americas and the Middle East, Africa and Asia region. We plan to complete the roll out in Europe in early 2023. The training helps to further embed ABB's commitment to the Voluntary Principles on Security and Human Rights in our business processes.

ABB also maintains a network of Human Rights Champions, trained to deliver awareness training for their colleagues and to provide advice to our businesses on how to identify, mitigate and avoid human rights risks. During the year, we maintained engagement activities of the Human Rights Champions Network via regular network calls and newsletters, and we formally defined the role descriptions for the champions to assist in setting individual objectives.

Engaging stakeholders

Staying in close contact with our stakeholders on labor and human rights issues is critical to performing at a high level and maintaining our social license to operate.

ABB speaks to and works with a wide variety of stakeholders, including customers, investors, suppliers, civil society representatives and international organizations to understand their expectations and improve performance.

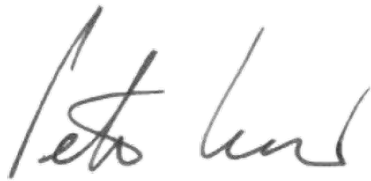
Our Group also engages with and learns from human rights specialists. These activities include peer learning reviews in the Global Business Initiative on Human Rights, lessons drawn from the annual United Nations stakeholder forum in Geneva, the World Business Council for Sustainable Development (WBCSD) and participation in local network meetings of the UN Global Compact. Our Conflict Minerals team works with the Responsible Minerals Initiative and is involved in outreach to smelters and refiners.

Assessing effectiveness

Our continued focus on human rights is yielding results. At the end of 2022, we surveyed our network to understand how our Human Rights Champions engaged with their businesses during the year and to identify where further support or improvements were needed. The results showed that the program has been successful in raising awareness of human rights at all levels of the organization and embedding human rights expertise within each business area and division. However, there was a desire for more flexible, self-paced capacity-building options and for more practical opportunities to explore actual situations and dilemmas. In 2023, we intend to restructure our capacity-building programs to provide clearer learning pathways for participants, allowing for more self-directed learning as well as in-depth training.

In our Sustainable Supply Base Management program, we use the reduction of risk as a key indicator of effectiveness and report on this annually in our Sustainability Report. Additionally, to better focus our supplier development activities on relevant supplier needs, ABB periodically reviews the gaps identified during supplier assessments and identifies the most common non-compliances. We also review the results of repeat assessments at suppliers to understand the frequency of recurring non-compliances. The results of these analyses are used to reinforce our supplier and employee training programs.

ABB has been on its human rights journey for many years. We have numerous building blocks in place to address the risks of modern slavery and forced labor, such as our Human Rights policy, criteria embedded in decision-making processes and training programs, all of which are helping us to deliver on our commitment to human rights. Recognizing the extremely complex nature of human rights, we will continue to emphasize the importance of collaboration and learning from others, including peer learning reviews in the Global Business Initiative on Human Rights and lessons drawn from the annual United Nations stakeholder forum in Geneva.



Peter Voser
Chairman of the Board
February 24, 2023