



ELECTRIFICATION U.S.

Commercially sensitive information (CSI) guide

Integrity matters



This guide highlights the importance of properly addressing commercially sensitive information.

What is commercially sensitive information (CSI)?

As a general rule, **ABB cannot solicit, obtain or exchange commercially sensitive information (CSI), regardless of the source.**

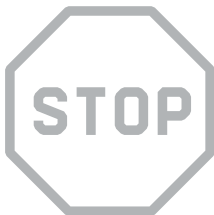
CSI is information that is **not public** and is either one of the following:

- **About actual or potential competitors** that could **influence a commercial decision or strategy of ABB**
- **About ABB** that could **influence a commercial decision or strategy of a competitor**

Ask yourself:

Would you be happy to share this information about ABB with an ABB competitor?

Would you want to protect this information in order to maintain or improve our competitive position on the market?

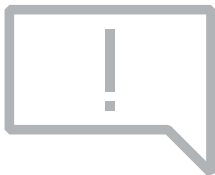


Information exchanges and commercially sensitive information (CSI)

The basics

Sharing information with customers and third parties is part of everyday business life — but **when that information is commercially sensitive, special rules apply:**

- Commercially sensitive information (CSI) is any **non-public, strategic information** concerning ABB or a competitor, such as a competitor's offer or bid or detailed information about the same (e.g., “competitors X's price for this specific product is USD 1 mln.”)
- ABB **cannot solicit, obtain or exchange CSI** with third parties, regardless of the source:
 - Sharing CSI is **anti-competitive and prohibited under antitrust laws** and against ABB's policies and procedures
 - Receiving CSI from or distributing CSI to third parties, even **accidentally or unsolicited**, can also be perceived as anti-competitive, if not acted on correctly
 - If a third party gives ABB, offers ABB, or references its own use of a competitor's CSI, this must be **rejected and reported to ABB Legal & Integrity**. It is also a **warning signal** suggesting potential additional **misconduct** (e.g., engaging in bribery to obtain CSI)



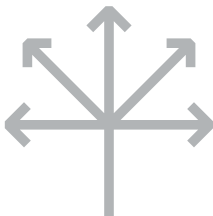
Responsibilities

ABB

- It is ABB's role to watch out for and report immediately to Legal & Integrity any receipt of CSI from a competitor or another third party (such as channel partner, customer or supplier, unless the CSI is provided openly and transparently to all market participants)
- ABB employees should not distribute the CSI to other ABB employees (outside of the L&I team)

Channel partners

- Do not solicit nor send to ABB any CSI. If you do forward along CSI, the person you sent it to must be removed from any further participation in that bid, and report the matter to ABB's Legal & Integrity team.



Collecting customer feedback — Where to draw the line to remain compliant

It is not ok for ABB to:

- Receive from a customer **detailed information** about a competitor's offer (this includes pricing, technical specifications, specific terms) unless the customer has structured the bidding process in an open and transparent way from the outset, giving such information to all market participants (e.g., reverse auction)
- Phrase your questions in a way that will prompt customer to share such detailed information. Instead, consider using wording such as “roughly,” “around,” etc.
- Provide **detailed information** received from a customer to another competitor, supplier or customer



In the negotiation phase, it is ok for ABB to have a customer:

- Indicate how to improve ABB's offer (e.g., it needs to be improved by 5%)
- Indicate that ABB's price is too high, or X% higher than that of the competition
- Indicate the target price that ABB must meet to win the contract
- Identify who the other competitors are
- Indicate how ABB must modify other terms and conditions of its offer to win the contract, without indicating what competitors are offering



Practical examples on collecting feedback before bid date

Pre-bid example questions	Is this CSI or not CSI?	Why?
"Tell me the price and who we have to beat to win this bid"	CSI — do not do this	You are asking for detailed information about the specific competitor AND their competitive price
"Can you share with me the competitor's scope document that has quantity and VFD ratings?"	CSI — do not do this	You are asking for detailed information about the competitor's offering for this bid
"Can you tell me how much lower I need to be to compete for this order?"	Not CSI — this is fine	You are asking for generic price guidance without respect to any specific competitor
"Wow, that sounds like a big price difference. Can you check to make sure we are quoting 'apples to apples'? Our scope has (5) 150 HP VFDs all with NEMA 4X rated at 50 ° C... Does the competition?"	Not CSI — this is fine	You're just confirming that each bidder is quoting the job the same way and conforms to the requirements in the specification
"Can you tell me where I need to be to write this order?"	Not CSI — this is fine	You are asking for generic price guidance without respect to any specific competitor

Contact us

ABB has a wealth of resources to help ensure commercially sensitive information is properly managed.

Contact your ABB representative for more information.



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