

ABB LIMITED

UK Gender Pay Report April 2017

ABB is a pioneering technology leader in electrification products, robotics and motion, industrial automation and power grids, serving customer in utilities, industry and transport & infrastructure globally. Continuing more than a 125-year history of innovation, ABB today is writing the future of industrial digitalization and driving the Energy and Fourth Industrial Revolutions. ABB operates in more than 100 countries with around 135,000 employees.

We welcome the UK Government’s requirement for large companies to be more transparent. We have conducted the analysis according to the UK gender pay gap regulations which came into effect in April 2017.

The gender pay gap we measure is not a direct comparison of males and females doing comparable jobs, but is rather a measure of the difference in the average pay of all men and women across the organisation, regardless of the roles they fill.

ABB strongly believes that diversity and inclusiveness help us to deliver power and productivity. We work on some of the biggest challenges facing business and society today, right around the globe. To succeed, we need to understand the people we serve and the cultures they live in. That means we need talented people from all over the world.

At ABB, we welcome different ways of thinking and acting, different qualities and skills, different experiences and backgrounds. We value them because we are dedicated to being inclusive, recognizing and respecting all aspects of what makes someone unique.

For the purposes of the Government Regulations, Hourly Pay is not limited to basic pay, but also includes other types of pay such as shift premium pay and any bonuses paid in April 2017. However, it doesn’t include overtime pay, pay relating to redundancy/termination of employment, or the value of benefits which are not in the form of money.

The definition of Bonus under the new Government Regulations includes more traditional annual bonus schemes, but also a wide variety of other payments such as commission, long service awards, etc. Calculations of mean and median bonus pay use any bonus paid from the twelve months ending on 5 April 2017.

ABB Limited’s Pay and bonus difference between women and men at 5 April 2017

	Mean pay gap	Median pay gap
Hourly Pay	26.5%	32.7%
Bonus	55.5%	68.5%

The Proportion of employees receiving a bonus* in the 12 months preceding 5 April 2017

20.7% Male 15.4% Female

* Our annual performance bonuses earned for the reporting period (6 April 2016 – 5 April 2017) were actually paid in April 2017 so could not be included in the statutory bonus figures. Had the earned bonus payments been included then the Mean and Median Bonus pay gap would have reduced and the proportion of male and female employees receiving a bonus in the 12 months preceding 5 April 2017 would have increased.

The pay quartiles across our employees at 5 April 2017

Lower Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile	
Male	Female	Male	Female	Male	Female	Male	Female
64.6%	35.4%	78.1%	21.9%	88.7%	11.3%	90.6%	9.4%
Mean gap: -0.2%		Mean gap: 2.4%		Mean gap: 3.2%		Mean gap: 2.5%	
Median gap: 1.2%		Median gap: 3.3%		Median gap: 5.3%		Median gap: 4.2%	

As the mean and median pay gaps between male and female employees are much lower when we look at each quartile we believe that this demonstrates that we broadly pay all employees the same where they do comparable jobs.

We believe that the difference in our mean and median pay between male and female employees is due to the number of male employees in more senior positions and a higher proportion of female employees in more junior positions.

We recognise that, along with many Engineering companies, our female employees make up a small proportion, 20%. While this is an industry wide issue, that will take a concerted effort over many years to resolve, it is one which we plan to actively address within ABB.

We are not satisfied with the gender balance across our workforce and the current gender pay gap, so we have identified a number of initiatives to help us work towards a more balanced workforce.

In conjunction with our Global colleagues in ABB we are targeting that 30% of new Graduate Hires will be female by 2020.

Globally ABB has additional targets for 13% for Leadership Appointments being female by 2020 and is building a business leadership succession pool of 100 women. These initiatives will be underpinned by enabling a culture of inclusion and by providing career and work flexibility options.

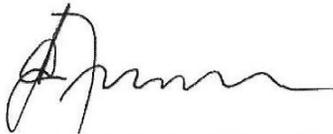
During 2018, in the UK we will also focus on:

- Ongoing training for all manager to ensure no unconscious gender bias from recruitment, promotion and performance management;
- Reviewing our maternity and return to work programmes;
- Improving flexible working;
- Supporting internal or external networking opportunities;
- Mentoring programmes; and
- Working towards our gender mix targets at levels or roles or for recruitment or promotion.

We already support a range of school outreach events to encourage children into Science, Technology, Engineering and Mathematics (STEM) careers and have a particular focus on encouraging girls into STEM. One of our key activities is to support school teams competing in a robotics competition and we currently support a number of all female teams.

ABB recognizes that a diverse and talented workforce is a key competitive advantage. As a truly global company, our business success reflects the quality and skill of our people. We believe that the wide array of perspectives that results from a diversity and inclusiveness focus promotes innovation and business success. ABB is therefore committed to providing a working environment where all our employees, regardless of gender, are able to thrive as we want all employees to write the future. Together.

We confirm that the data reported is accurate.



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Managing Director



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For and on behalf of ABB Limited