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ABB LIMITED

# UK Gender Pay Report April 2019

ABB is a technology leader that is driving the digital transformation of industries. With a history of innovation spanning more than 130 years, ABB has four customer-focused, globally leading businesses: Electrification, Industrial Automation, Motion, and Robotics & Discrete Automation, supported by the ABB Ability™ digital platform. ABB's Power Grids business will be divested to Hitachi in 2020. ABB operates in more than 100 countries with about 147,000 employees.

We continue to welcome the UK Government's requirement for large companies to be more transparent and we have now conducted our analysis for the third year in respect of the UK gender pay gap regulations which came into effect in April 2017.

Whilst recognising there is still much work to continue over the medium and long term, we are pleased to report that since last year, the proportion of females in the Upper Middle and Upper Quartiles have both increased. There has also been a reduction in the Median gender pay gaps for Bonus and there has been no negative change in the Median Hourly Pay since the report as at April 2018. We have also seen a positive balancing and representation of the proportion of employees receiving a bonus, compared to the last time annual bonuses were paid late in April 2017.

We continue to work on and develop our initiatives identified in previous years to help us work towards a more balanced workforce.

Throughout 2019, in the UK we focussed on the following areas in addition to these Global initiatives:

- Continued training for all managers to ensure no unconscious gender bias from recruitment, promotion and performance management;
- Revised our suite of family friendly and return to work programmes & policy;
- Improved flexible working and a more agile working culture;
- Supporting internal or external networking opportunities to increase our learning and sharing of industry leading initiatives supporting gender diversity;
- Mentoring programmes; and
- Working towards our gender mix targets at levels or roles or for recruitment or promotion.

Unconscious bias training continues as it forms part of our ABB First Line Manager (FLM) development program as well as sessions being delivered for our Senior Management as part of the Global roll out.

In addition, 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 including working with the Girl Guides

Association and sponsoring the UK VEX Robotics teams. In 2018, we joined the Women's Engineering Society and continue to support and leverage the initiatives, networks and representation for our medium-term ambitions and initiatives. In 2019, we started to partner strategically with the Women's Leadership Association (WLA) to broaden ABB's external relationships and opportunity to support and leverage initiatives and support change enablement at a Senior level also.

This, alongside ABB's representation in Make UK's national employment and skills policy committee, will aid our longer-term strategic actions to increase gender diversity.

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

At ABB, we are committed to solving some of the biggest global challenges of our time. This is only possible through our exceptional people who work, every day, for a better future. Building a culture of diversity and inclusion is critical to our success and makes each of us stronger; A culture where individual differences are welcomed and we all unite to write the future together.

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.

#### **ABB Limited's Pay and bonus difference between women and men at 5 April 2019**

	Mean pay gap	Median pay gap
Hourly Pay	23.5%	30.6%
Bonus	59.0%	25.0%

#### **The Proportion of employees receiving a bonus\* in the 12 months preceding 5 April 2019**

16.6% Male      15.0% Female

\* Our annual performance bonuses earned for the reporting period (6 April 2018 – 5 April 2019) were actually paid in April 2019 so could not be included in the statutory bonus figures. Had the earned bonus payments been included then the proportion of male and female employees receiving a bonus in the 12 months preceding 5 April 2019 would have increased.

#### **The pay quartiles across our employees at 5 April 2019**

Lower Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile	
Male	Female	Male	Female	Male	Female	Male	Female
64.5%	35.5%	80.5%	19.5%	86.4%	13.6%	87.9%	12.1%
Mean gap: -3.6%		Mean gap: 4.7%		Mean gap: 0.9%		Mean gap: 2.5%	
Median gap: -4.2%		Median gap: 8.6%		Median gap: 1.0%		Median gap: -0.5%	



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 continue to broadly pay all employees the same where they do comparable jobs.

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 2019. 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 pay.

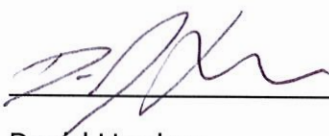
The definition of Bonus under the new Government Regulations includes more traditional annual bonus schemes, but also a wide variety of other payments such as commission, long service awards, etc. Calculations of mean and median bonus pay use any bonus paid from the twelve months ending on 5 April 2019.

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

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

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.



David Hughes  
Managing Director,



Craig Prendergast  
Country HR Manager,

For and on behalf of ABB Limited