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ABB LIMITED

# UK Gender Pay Report April 2020

ABB is a leading global technology company that energizes the transformation of society and industry to achieve a more productive, sustainable future. By connecting software to its electrification, robotics, automation and motion portfolio, ABB pushes the boundaries of technology to drive performance to new levels. With a history of excellence stretching back more than 130 years, ABB's success is driven by about 105,000 talented employees in over 100 countries.

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 fourth year in respect of the UK gender pay gap regulations which came into effect in April 2017.

Whilst recognising there continues to be much work to do over the medium and long term, we are pleased to report that since last year, the Mean Hourly Pay Gap and Mean Bonus Pay Gap have both reduced. The proportion of females in the Upper Quartile has once again increased. The proportion of Females receiving a bonus is now marginally higher than the proportion of Males receiving a bonus over the 12 months to 5 April 2020. In addition, the Mean Hourly Pay Gap has reduced across all pay quartiles.

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

Throughout 2020, in the UK we continued to focus on the following areas against a backdrop of the global covid-19 pandemic:

- Updated Global Diversity & Inclusion program;
- Continued training for all managers to ensure no unconscious gender bias from recruitment, promotion and performance management;
- 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 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 virtually 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. Our membership of the Women's

Engineering Society continues as does our partnership with the Women's Leadership Association (WLA) which, 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 2020**

	Mean pay gap	Median pay gap
Hourly Pay	22.6%	31.1%
Bonus	31.7%	31.5%

#### **The Proportion of employees receiving a bonus in the 12 months preceding 5 April 2020**

82.2% Male      82.0% Female

#### **The pay quartiles across our employees at 5 April 2020**

Lower Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile	
Male	Female	Male	Female	Male	Female	Male	Female
67.0%	33.0%	79.9%	20.1%	86.6%	13.4%	87.8%	12.2%
Mean gap: -2.1%		Mean gap: 4.2%		Mean gap: 0.7%		Mean gap: 2.0%	
Median gap: -4.1%		Median gap: 5.7%		Median gap: 1.7%		Median gap: 1.2%	

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 2020. 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 2020.

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.



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For and on behalf of ABB Limited