
ABB LIMITED

UK Gender Pay Report April 2023

ABB is a 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.

Following our purpose and leveraging our strong positions in Electrification, Motion, Process Automation and Robotics & Discrete Automation, we aim to create superior value for all our stakeholders. With our purpose at its core, the way we operate – the ABB Way – is our lever to implement our strategy. By pushing the boundaries of technology and embedding sustainability in everything we do, our people drive the performance of our market-leading and empowered businesses to new levels.

Building on more than 130 years of excellence, ABB's 107,000 employees are committed to driving innovations that accelerate industrial transformation.

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

We report that since last year, the Mean and Median Pay Gaps have increased by 0.3% and 0.7% respectively. The Mean and Median Bonus Pay Gaps have reduced by 3.6% and 1.8%. The proportion of females in the Upper Quartile has once again continued to increase and the proportion of females in the Lower Quartile has reduced.

The Mean Pay Gap between males and females has reduced in the lower and lower middle quartiles. There has been an increase in the gap in the upper middle and upper quartiles.

The Median Pay Gap between males and females has reduced in all quartiles. Future work will be to focus on reducing the Lower Middle Median Pay Gap.

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.

We continue to work on and develop our initiatives identified in previous years to help us work towards a more balanced workforce. In addition, our UK and Ireland Inclusion, Diversity and Equality Board continues to drive awareness and education throughout the organisation with benchmarking external best practice to continue our journey as a workplace of choice.

Throughout 2023, in the UK we continued to focus on the following areas:

- Updated Global Diversity & Inclusion program; including support and promotion of International Women's Day;
- Continued training for all managers to ensure no unconscious gender bias from recruitment, promotion and performance management;
- Hiring Managers encouraged to use our Gender Decoder tool when developing job descriptions;
- Improved flexible working and a more agile working culture;
- Continued engagement with the roll out of the National Centre for Diversity survey to understand our current demographics, perceptions of the culture and to advise on areas for improvement including advice on our policies and job descriptions.
- Our Annual Salary Review process includes a comparison of increases per gender.
- Continued development of our internal Inclusion, Diversity and Equality webpages.
- Supporting internal or external networking opportunities to increase our learning and sharing of industry leading initiatives supporting gender diversity;
- Reviewed our compensation framework to provide further alignment around target bonuses;
- Drive, communicate and educate on gender awareness policies, for example, but not limited to, Menopause Policy and Shared Parental Leave Policy
- Mentoring programmes; and
- Working towards our gender mix targets for recruitment or promotion.

The above achievements enabled ABB to become No.37 within the Nation Centre of Diversity 2023 Top 100 Most Inclusive UK Workplaces. In addition, ABB achieved increased engagement scores within our Employee Satisfaction Survey and Top Employers certification.

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 employees 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 Primary Engineer Organisation and actively supporting the 'If you were an engineer, what would you do?' programme. 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 - Labour Markets & Skills Committee, and the AEMT (Association of Electrical and Mechanical Trades) IDE 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, towards this endeavour. A culture of diversity, inclusion and equal opportunity is critical to our business success and makes us stronger. At ABB we strive for a culture where individual differences are not only welcomed but celebrated.

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.

We recognise that, along with many Engineering companies, our female employees make up a smaller proportion, 21.63%, of our workforce. Year on year, the number of female employees has reduced by 0.22%. 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 by utilising the resources of the Womens Engineering Society to promote the employment opportunities within ABB.

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. Diversity expands the pool of talents, bringing fresh perspectives and creativity for more innovations so we can contribute to a better world. Through our people we can push the boundaries of what can be achieved. 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.



Malgorzata Moussa
Country Holding Officer,



Craig Prendergast
Country HR Manager,

For and on behalf of ABB Limited

The Gender Pay Gap Results

ABB Limited's Pay and bonus difference between women and men at 5 April 2023

	Mean pay gap	Median pay gap
Hourly Pay	13.8%	27.6%
Bonus	15.3%	14.1%

The Proportion of employees receiving a bonus in the 12 months preceding 5 April 2023

74% Male 68.9% Female

The pay quartiles across our employees at 5 April 2023

Lower Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile	
Male	Female	Male	Female	Male	Female	Male	Female
69.4%	30.6%	76.5%	23.5%	85.6%	14.4%	82%	18.0%
Mean gap: -2.61%		Mean gap: 3.92%		Mean gap: 1.06%		Mean gap: 2.4%	
Median gap: -0.78%		Median gap: 6.97%		Median gap: -0.14%		Median gap: 0.8%	

Notes

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, on-call allowances and any bonuses paid in April 2023. 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 2023.