

— Compensation Report 2022

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Letter from the Chairman of the Compensation Committee

Dear Shareholders,

On behalf of the Board of Directors (Board) and the Compensation Committee (CC), I am pleased to present the ABB Compensation Report (Report) for 2022.

Our focus at the CC remains to ensure that the compensation structure at ABB drives value creation for our shareholders, represents a motivating package for our executives, and ensures alignment with best-practice corporate governance standards and with ABB's sustainability strategy.

We have retained the broad structure of last year's Report to help stakeholder navigation, and have focused on streamlining the Report to eliminate unnecessary duplication of information. The compensation structure for the EC, its purpose and links to our Company strategy and associated performance measures, valid as of 2022, are set out in Exhibit 3 of the Report, in the section "Compensation at a glance".

ABB will disclose an Integrated Report (IR) for the first time in 2023, for its financial year 2022. One of the chapters of ABB's IR is a "Compensation Summary", which includes extracts from the now stand-alone Report, this CC Chairman's letter, the "Compensation at a glance" section and the sections showing how sustainability is addressed in compensation across ABB. We welcome your feedback to this approach.

Summary of changes for 2023

Disclosure

As in previous years, the CC has listened carefully to inputs and suggestions from our stakeholders related to potential improvements to disclosure and has progressively moved to adopting leading market practices.

In response to this feedback, the Annual Incentive Plan (AIP) targets for the CEO, starting in 2023, will be retrospectively disclosed in the following year's Report (thus for the first time in 2024). This will represent a relevant additional level of transparency on the alignment between pay and performance that we seek to ensure at ABB.

Termination Provisions under the AIP

For new joiners to the Executive Committee (EC), we also plan to amend the termination provisions under our AIP to be broadly aligned with the termination provisions under the Long-Term Incentive Plan (LTIP). This will specifically include, in the event of resignation, the full forfeiture of the AIP award if the last day of employment is prior to the end of the performance period (i.e., 31 December of the relevant performance year).

Sustainability impact in executive compensation

Following valuable stakeholder feedback, we will maintain the strong link between our sustainability strategy and compensation programs, such that all EC members will continue to have a sustainability measure in their LTIP, with a material weighting of 20 percent. In addition, all EC members shall continue to have at least two sustainability related goals in the individual component of their AIP.

The sustainability targets for both the 2022 and 2023 LTIP relate to our long-term greenhouse gas (GHG) emissions reduction ambitions, which are prospectively disclosed in the Report.

2022 performance outcomes

2022 was a year of solid performance, despite supply chain, logistics and labor challenges, rising inflation and the energy crisis in Europe. Overall, most key financial, sustainability and operational targets were met or excelled. ABB delivered a strong operational EBITA margin, increased its revenues and orders, and improved productivity in 2022. In addition, the Company made significant progress in reducing its environmental footprint and contributing to a more sustainable environment. For more information on ABB's 2022 performance please refer to [ABB's Integrated Report 2022](#).

Compensation policy outcomes

Board of Directors: the aggregate Board compensation for the 2022-2023 term (CHF 4.38 million) is in line with the maximum amount (CHF 4.4 million) approved at the 2022 Annual General Meeting (AGM). There has been no change to the individual Board fees since 2015.

Executive Committee: the aggregate EC total compensation was CHF 36.0 million in 2022, compared to CHF 39.2 million in 2021, as summarized in Exhibit 21, and presented in detail in Exhibits 38 and 39.

Five of the nine EC members in place received a salary adjustment in March 2022, which ranged from 2.1 to 12.5 percent, for exceptional performance, market adjustment or broadening of responsibilities. This corresponded to an average 3.25 percent increase on the annual aggregate base salaries for EC members in post in March 2022.

The average award for the current EC members under the AIP for 2022 was 118.3 percent (out of a maximum 150 percent), compared to 143.4 percent in 2021. This outcome was driven by a strong performance from the majority of the businesses as well as strong progress on sustainability related and other strategic targets.

The average weighted achievement level of the 2019 LTIP, which vested in 2022, was 121.0 percent (out of a maximum 200 percent), driven primarily by a maximum vesting under the Total Shareholder Return (TSR) performance measure.

Governance

At the AGM on March 23, 2023, you will be asked to vote on the maximum aggregate compensation for the Board for its 2023–2024 term and on the maximum aggregate compensation for the EC in 2024. The former is again unchanged compared to the prior year, while the latter shows a reduction from the level requested for last year due to lower potential vesting related costs from the 2021 LTIP award, as well as the lower compensation levels applied to new EC members compared to plan.

This Report will also be submitted for a non-binding, consultative vote by shareholders.

We encourage and pursue an open and regular dialogue with all of our stakeholders. Your constructive input is highly valued and appreciated as we continue to improve our compensation system. On behalf of the Compensation Committee, I thank you for your continued trust in ABB and for your consistently supportive feedback.

Frederico Fleury Curado

Chairman of the Compensation Committee

Zurich, February 23, 2023

Compensation report

Compensation at a glance

Board compensation

Compensation for the 2022-2023 term of office

The aggregate Board compensation for the 2022-2023 term of office (CHF 4,380,000) was within the maximum amount (CHF 4,400,000) approved at the 2022 Annual General Meeting (AGM).

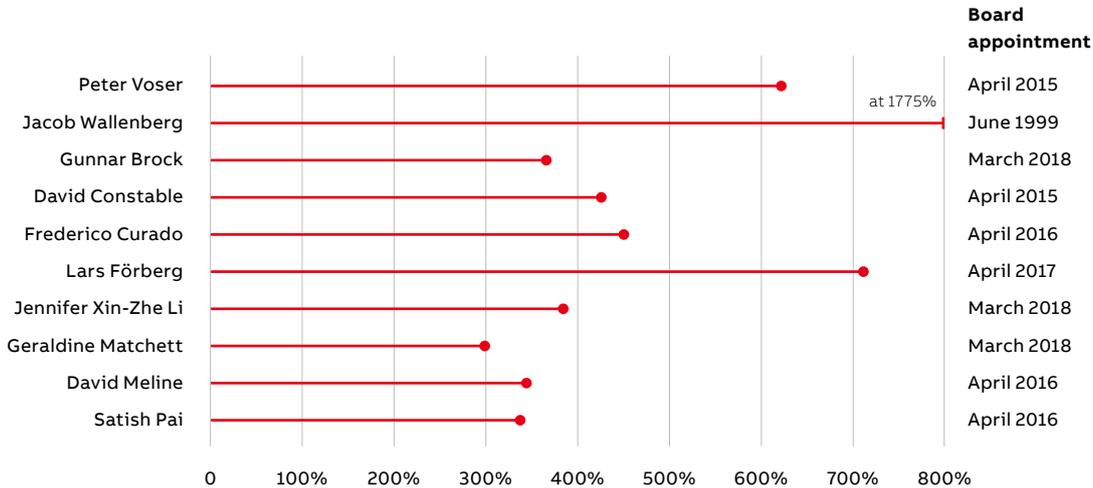
Exhibit 1: Board compensation (in CHF) for the 2022-2023 term of office

Aggregate compensation	4,380,000
Approved compensation amount	4,400,000

Shareholding of Board members

All Board members held ABB shares at December 31, 2022, worth at least 300 percent of their 2022 Board compensation.

Exhibit 2: Board members shareholding (at December 31, 2022) in % of 2022 total compensation*



* Based on share price of CHF 32.48, the 2022 Long-Term Incentive Plan (LTIP) reference price, and shares held at December 31, 2022.

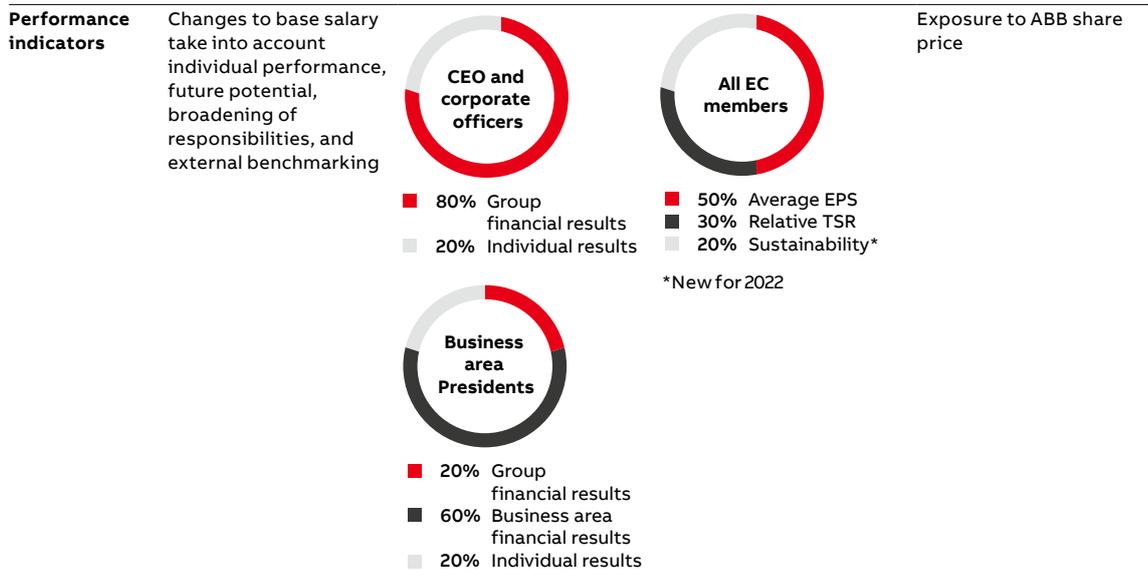
EC compensation

Compensation structure as from 2022

Exhibit 3: EC compensation structure as from 2022

	Fixed compensation - base salary and benefits	Variable compensation – short-term incentive (AIP)	Variable compensation – long-term incentive (LTIP)	Wealth at risk/ Share ownership
Purpose and link to strategy	Facilitates attraction and retention of talented EC members; base salary compensates for the role and relevant experience; and benefits protect against risks	Rewards annual Company, and individual performance. Aligned with the Company's Annual Performance Plan	Rewards Company performance over a three-year period and encourages creation of long-term, sustainable value for shareholders. Aligned with the Company's Long-term Performance Plan	Aligns individual's personal wealth at risk directly to the ABB share price, and EC members' interests with those of shareholders in order to maintain focus on ABB's long-term success
Operation	Salary in cash, benefits in kind, and pension contribution	Annual awards, payable in cash after a one-year performance period	Annual grants in shares which may vest after three years, and are subject to performance conditions	Individuals are required to hold ABB shares
Opportunity level (as % of base salary)	Based on scope of responsibilities, personal experience and skillset	Minimum 0% Target 100% Maximum 150%	CEO Minimum 0% Target 150% Maximum 300% Other EC Members* Minimum 0% Target 150% Maximum 300%	CEO 500% of annual salary (net of taxes) Other EC members 400% of annual salary (net of taxes)

* EC members with legacy employment contracts have a Target LTIP grant of 100 percent, and Max LTIP opportunity of 200 percent. The higher LTIP opportunity for the newer EC members is largely offset by lower fixed benefit costs.



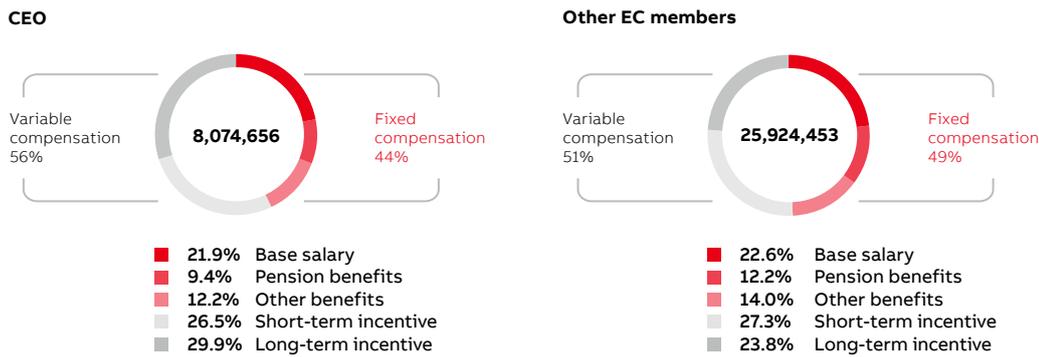
Total EC compensation for 2022

The aggregate EC compensation for 2022 (CHF 36,035,073) was within the maximum amount approved at the 2021 AGM (CHF 40,000,000).

Exhibit 4: EC compensation (in CHF) for 2022	
Effective aggregate compensation	36,035,073
Approved aggregate compensation	40,000,000

The larger portion of the CEO's 2022 total compensation was delivered via variable compensation (56 percent represented by short-term incentive and long-term incentive). For the other EC members, on an aggregate level, variable compensation represented 51 percent of their 2022 compensation. The following chart shows the composition of the 2022 total compensation for the EC members as of December 31, 2022.

Exhibit 5: 2022 total compensation mix for the CEO and other EC members on aggregate level in CHF*



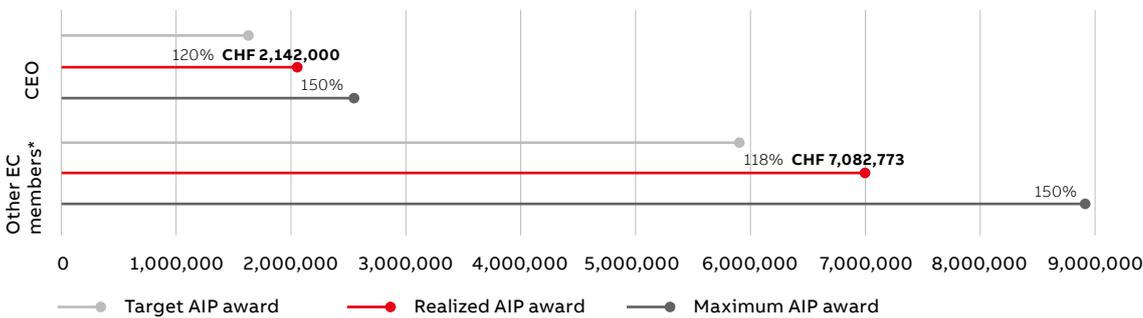
* Sum of percentage figures may differ from 100 percent due to rounding with one decimal.

Realized variable compensation in 2022

Realized variable compensation considers the AIP award and the LTIP award at the end of their respective performance cycles, reflecting actual AIP payment and LTIP vesting, based on achievement of the respective plan performance measures.

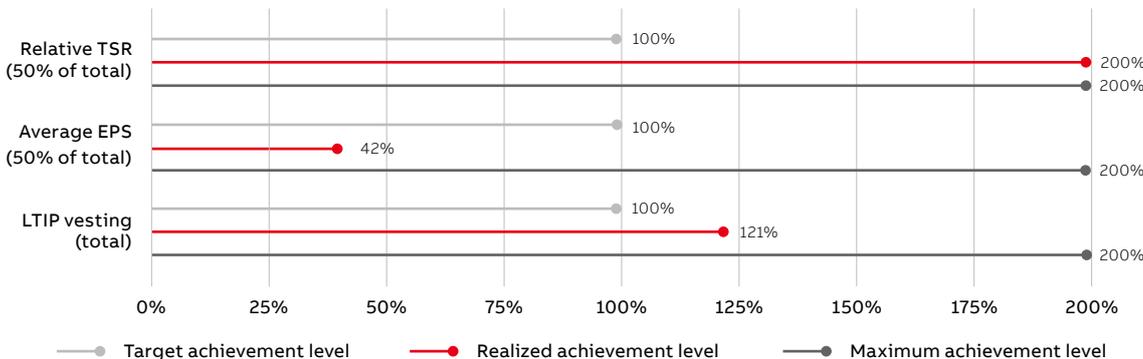
The outcome of the 2022 AIP was above the target for most of the current EC members (118.3 percent on average), and the LTIP that vested in 2022 (2019 LTIP) exceeded the target level, with a final vesting level of 121.0 percent of target.

Exhibit 6: 2022 AIP outcome compared to target



Target AIP award corresponds to 100% of base salary.
* individual outcomes range from 67 to 150 percent.

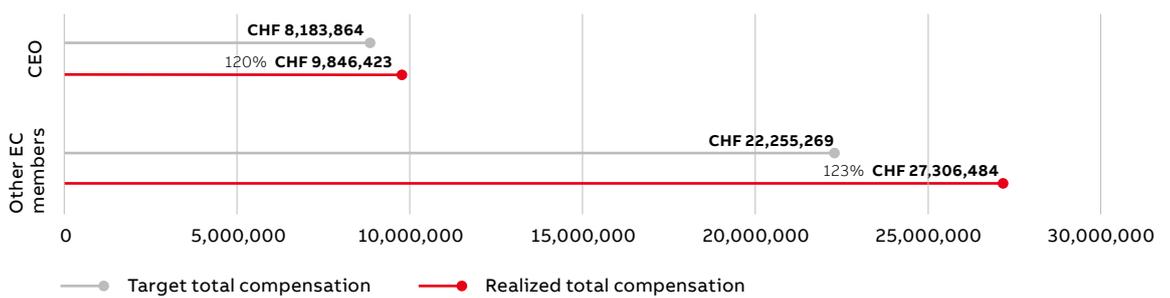
Exhibit 7: 2019 LTIP outcome compared to target



Realized total compensation in 2022

Considering the stated variable components above, the realized total compensation in 2022 was above the target total compensation for all EC members, driven by strong performance in 2022.

Exhibit 8: Realized total compensation in 2022 compared to target total compensation



Further details related to the realized compensation of each EC member and each compensation component are specified in Exhibit 44.

Two other members are close to achieving their requirement, while three members have been appointed to the EC in the last two years.

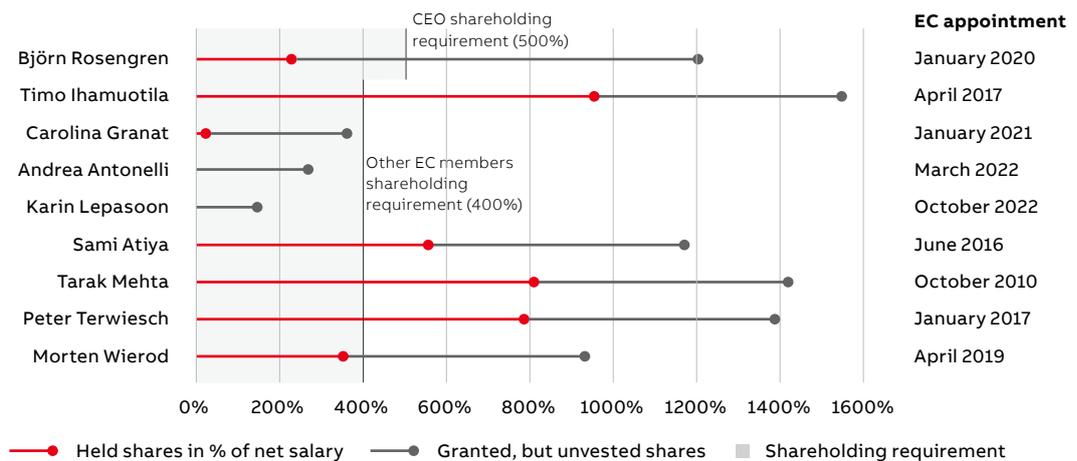
Shareholding of EC members

EC members may not sell their shares (except to meet tax and social security costs) until they achieve the required shareholding level.

When considering the number of granted, but unvested, ABB shares of current EC members as per December 31, 2022, it is expected that most will meet or exceed their share ownership requirement in 2023, after vesting of the 2020 LTIP grant.

Four out of nine EC members have already met and exceeded their share ownership requirement.

Exhibit 9: EC shareholding compared to share ownership guideline*



* Based on share price of CHF 32.48, the 2022 LTIP reference price, and shares held at December 31, 2022. Future allocation of granted, but unvested, shares is based on target achievement level and relevant plan specific settlement: default settlement of the final 2020 LTIP, 2021 LTIP and 2022 LTIP awards is 100 percent in shares. Default settlement of replacement shares is 65 percent in shares (recipient may elect to receive 100 percent of the vested award in shares). The value of shares is compared against the annual base salary net of taxes, at December 31, 2022.

Compensation governance

The Compensation Report is prepared in accordance with the Ordinance against Excessive Remuneration in Listed Stock Corporations, the Directive on Information relating to Corporate Governance of the SIX Exchange Regulation, the rules of the stock markets of Sweden and the United States, where ABB shares are also listed, and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

ABB's Articles of Incorporation

ABB's Articles of Incorporation, approved by its shareholders, contain provisions on

compensation which govern and outline the principles of compensation relating to our Board of Directors and Executive Committee. They can be found on ABB's Corporate Governance website new.abb.com/about/corporate-governance and are summarized below:

- **Compensation Committee** (Articles 28 to 31): The Compensation Committee (CC) is composed of a minimum of three members of the Board and are elected individually by the shareholders at the Annual General Meeting for a period of one year. It supports the Board in establishing and reviewing the compensation strategy, principles and programs, in preparing

the proposals to the AGM on compensation matters and in determining the compensation of the Board and of the EC. The responsibilities of the CC are defined in more detail in the Board Regulations and Corporate Governance guidelines, which are also available on ABB's Corporate Governance website.

- **Compensation principles** (Article 33): Compensation of the members of the Board consists of fixed compensation only, which is delivered in cash and shares (with an option to elect for shares only). Compensation of the members of the EC consists of fixed and variable compensation. Variable compensation may comprise short-term and long-term elements. Compensation may be paid in cash, shares or other benefits.
- **“Say-on-pay” vote** (Article 34): Shareholders approve the maximum aggregate amount of compensation of the Board for the following Board term and of the EC for the following financial year.
- **Supplementary amount for new EC members** (Article 35): If the maximum approved

aggregate compensation amount is not sufficient to also cover the compensation of newly promoted/hired EC members, up to 30 percent of the last maximum approved aggregate amount shall be available as a supplementary amount to cover the compensation of such new EC members.

- **Loans** (Article 37): Loans may not be granted to members of the Board or of the EC.

Authority levels in compensation matters

The CC acts in an advisory capacity while the Board retains the decision authority on compensation matters, except for the maximum aggregate compensation amounts of the Board and of the EC, which are subject to the approval of shareholders at the AGM. The authority levels of the different bodies on compensation matters are detailed in Exhibit 10. Shareholders also have a consultative vote on the prior year's Compensation Report at the AGM and a binding vote on the maximum aggregate amount of compensation of the Board for the following Board term and of the EC for the following financial year.

Exhibit 10: Authority levels in compensation matters

	CEO	CC	Board	AGM
Compensation policy including incentive plans	●	●	●	
Maximum aggregate compensation amount for the EC		●	●	●
CEO compensation		●	●	
Individual compensation of other EC members	●	●	●	
Performance target setting and assessment of the CEO		●	●	
Performance target setting and assessment of other EC members	●	●	●	
Shareholding requirements for CEO and other EC members		●	●	
Maximum aggregate compensation amount for the Board		●	●	●
Individual compensation of Board members		●	●	
Compensation Report		●	●	● Consultative vote

● Proposal ● Recommendation ● Approval

Activities of the CC in 2022

The CC meets as often as business requires but at least four times a year. In 2022, the CC held seven meetings and performed the activities described in Exhibit 11. The CEO, the Chief Human Resources Officer (CHRO) and the Head of Performance and Reward also attend all or part of the CC meetings in an advisory capacity. The Chairman of the CC may decide to invite other executives upon consultation with the CEO, as appropriate.

Executives do not attend the meetings or the parts of the meetings in which their own compensation and/or performance are being discussed. Details on meeting attendance of the individual CC members (number of meetings held during 2022, their average duration, as well as the attendance of the individual members) are provided in the section “Board of Directors – Meetings and attendance” of [ABB's Corporate Governance Report 2022](#).

Exhibit 11: CC activities during 2022

Strategy

Review of Short-Term Incentive plan (Annual Incentive Plan / AIP)
Continued monitoring of link between sustainability and compensation

EC Compensation

Review of compensation benchmarking for EC members (bi-annual activity)
Review of recommendations on individual compensation for EC members
Review of the share ownership of EC members
Review and approval of compensation for new and departing EC members

Performance – relating to past performance cycle

Assessment of AIP awards for 2022
Assessment of achievement of performance targets for LTIP awards vesting in 2022

Performance – relating to forthcoming performance cycle

Setting of AIP design, measures and targets for 2022
Consideration of forecast AIP outcomes for 2022
Consideration of preliminary AIP measures and targets for 2023
Setting of performance targets for LTIP grants in 2022
Consideration of forecast achievement against performance targets for unvested LTIP grants

Compliance

Review of CC annual plan
Review of feedback from Stakeholder Engagement meetings
Regulatory and market updates
Review of the Compensation Report for publication
Preparation of maximum aggregate compensation for the Board to be submitted for AGM vote
Preparation of maximum aggregate compensation for the EC to be submitted for AGM vote

The Chairman of the CC reports to the full Board after each CC meeting. The minutes of the CC meetings are available to the members of the Board.

PricewaterhouseCoopers (PwC) was mandated to provide consulting services related to executive compensation matters. In addition to its CC advisory role, PwC also provides human resources, tax and advisory services to ABB.

The CC retains independent, external advisors for compensation matters. In 2022

Sustainability related considerations in ABB's compensation

There are several sustainability related considerations that play an important role in our compensation philosophy, of which one is to foster the link between the sustainability performance measures under our sustainability strategy and the variable compensation for our EC and senior management.

Impact of sustainability performance on variable compensation

One of the main subjects of the CC's recent decisions was to reinforce the link of ABB's sustainability strategy - and its associated ambitious targets for 2030 - to ABB's key variable compensation programs AIP and LTIP. These decisions resulted in a suite of changes which we believe keep ABB in line with leading compensation market practices and reinforce our commitment towards sustainability and long-term value creation.

With regard to the AIP, ABB recently enlarged the mandatory inclusion of sustainability performance measures in the individual component of the relevant AIP for its executives and further employees in the organization. All EC members have two or three sustainability goals (out of maximum of three) in the individual component of their AIP. While all EC members had an environment target in 2022, business area Presidents had a safety target, the CFO a governance target and other corporate officers a social target.

In regard to the LTIP granted to ABB's senior management, including the EC, a sustainability measure with a weighting of 20 percent forms part of the performance measures.

- For the 2022 LTIP, the sustainability measure is the Company's scope 1 and 2 greenhouse gas (GHG) emissions reduction at the end of the three-year performance period (2022-2024), compared to the 2019 baseline.

- The 2022 sustainability measure has also been applied to the 2023 LTIP, namely scope 1 and 2 GHG emissions reduction at the end of the three-year performance period (2023-2025), compared to the 2019 baseline.
- Details of the long-term GHG emissions reduction targets can be found in [ABB's Sustainability Report 2022](#).

Employee remuneration

ABB applies a holistic total remuneration approach, generally consisting of fixed base salary, variable performance-linked pay, pension contributions and benefits. The key programs of ABB's

compensation structure and their strategic links to our employee value proposition and sustainability strategy are summarized in the Exhibit 12 below.

Exhibit 12: Compensation structure for employees		
Program	Operation and purpose	Link to ABB's employee value proposition and sustainability strategy
Base Salary	Offered to all employees, compensating for the role and relevant experience of the employee while changes to base salary take into account individual performance, future potential and external benchmarking.	Facilitating attraction and retention of employees.
Short-Term Incentive	Offered to ca. 80 percent of ABB's workforce, rewarding annual performance.	Helping to establish strong alignment with the Company's Annual Performance Plan, which may include financial and/or sustainability targets.
Annual Incentive Plan (AIP)	Offered to ca. 45 percent of ABB's workforce (employees outside of the Sales & Marketing functions and Production areas).	Rewarding participants, where appropriate, for the achievement of financial and sustainability targets at Group and business level, and other organizational and individual goals.
Production Plans	Offered to ca. 25 percent of ABB's workforce (employees of Production areas).	Rewarding participants for the achievement of productivity and other operational targets at local business level.
Sales Incentive Plans	Offered to ca. 10 percent of ABB's workforce (employees of the Sales & Marketing functions).	Rewarding participants for the achievement of financial targets at a local business and individual level.
Long-Term Incentive	Offered to ca. 800 executives and senior leaders of ABB.	Encouraging the creation of long-term, sustainable value for shareholders, and delivery of long-term strategic goals.
Long-Term Incentive Plan (LTIP) with performance conditions	Offered to ca. 100 executives, who significantly impact ABB's performance and long-term success of the business. After completion of a three-year plan period and subject to the achievement of the plan specific performance measures, the award is earned and delivered.	Aligning with the Company's Long-Term Performance Plan, and facilitating retention of senior executives.
Restricted Shares without performance conditions	Offered to ca. 700 senior leaders and key talent who influence ABB's performance and long-term success of the business. After completion of a three-year plan period, the award is earned and delivered.	Facilitating retention of senior managers. Supports aligning employees' interests with the interests of external shareholders and maintaining focus on the long-term success of the Company.
Employee Share Acquisition Plan	Offered to ca. 100,000 employees in over 60 countries, providing the opportunity to purchase shares in ABB one year after the start of a plan, at a price which will be fixed at the beginning of each annual plan cycle, and become ABB shareholders.	Supports aligning employees' interests with the interests of external shareholders and maintaining focus on the long-term success of the Company.
Benefits (selection)	Offered to all employees by country, subject to the relevant local market practice.	Protecting against risks, and help facilitating the attraction and retention of employees.
Risk Benefits	These generally include retirement, insurance and healthcare plans.	Providing support for the employees and their dependents in case of retirement, disability or death.
Parental Leave	A global and gender-neutral program, offered to all employees, on the birth or adoption of a new child, which sets out a minimum standard on paid parental leave that supports all family types. The primary caregivers receive 12 weeks of paid leave and the secondary caregivers 4 weeks.	Aligning with the ABB value of "Care".
Employee Assistance	A global program, offered to all employees. The program supports the employee's emotional, practical and physical wellbeing by offering paid counseling on emotional health, family concerns and workplace concerns.	Aligning with the ABB value of "Care".
Car or Transportation Allowance	Offered to selected employees based on business need or market practice, with any car provision being progressively migrated to e-vehicles or transportation allowances which can be used to contribute to public transport, cycle or other transport needs.	Addressing changed needs related to mobility by providing greater flexibility to opt for more environmentally friendly solutions.

Board compensation policy

The compensation policy for the members of the Board is designed to attract and retain experienced people to the Board of Directors.

Compensation takes into account the responsibilities, time and effort required to fulfill their roles on the Board and its Committees, and it is generally positioned at levels similar to other Swiss listed companies of comparable size and complexity.

Compensation structure

A fixed fee is payable for the Chairman, Vice-Chairman and members of the Board, and additional fees are payable for chairing or membership of a Board Committee, except for the Chairman and Vice-Chairman. Board members are paid for their service over an annual Board term that starts with their election at the AGM. Payment of fees is made in semi-annual installments in arrears.

Each fee is delivered in cash and shares. Board members are required to take 50 percent of their compensation in shares, but they may elect to receive all their fees in shares. The number of shares delivered is calculated prior to each semi-annual payment by dividing the monetary amount to which the Board members are entitled by the average closing price of the ABB share over a predefined 30-day period. The shares are subject to a three-year restriction period during which they cannot be sold, transferred or pledged. Any restricted shares are unblocked when the Board member leaves the Board.

Implementation of Board compensation policy

Board fees by role

As mentioned above, the levels and mix of Board members' compensation are regularly compared against the compensation of non-executive Board members from a cross-section of publicly traded companies in Switzerland that are part of the Swiss Market Index (i.e., Adecco, Alcon, Geberit, Givaudan, Holcim, Lonza, Richemont, SGS, Sika, Swisscom, Swiss Life, Zurich Insurance).

Such a review was last undertaken in 2020, and there was no adjustment made to Board fees for the term of office from the 2022 AGM to the 2023 AGM, as set out in Exhibit 13. There has been no change to the individual Board fees since 2015.

Exhibit 13: Board fees (in CHF) for the current term of office

Chairman of the Board ⁽¹⁾	1,200,000
Vice-Chairman of the Board ⁽¹⁾	450,000
Member of the Board	290,000
Additional committee fees:	
Chairman of FACC ⁽²⁾	110,000
Chairman of CC or GNC ⁽²⁾	60,000
Member of FACC ⁽²⁾	40,000
Member of CC or GNC ⁽²⁾	30,000

(1) The Chairman and the Vice-Chairman do not receive any additional committee fees.

(2) CC: Compensation Committee,
FACC: Finance, Audit and Compliance Committee,
GNC: Governance and Nomination Committee.

Total Board compensation

The compensation paid to the Board members for the calendar year 2022 and for the term of office from the 2022 AGM to the 2023 AGM are disclosed in Exhibit 14 below and in Exhibits 35 and 36, respectively, in the section "Compensation tables and share ownership tables".

At the 2022 AGM, the shareholders approved a maximum aggregate compensation amount of CHF 4.4 million for the 2022-2023 Board term. This amount equals the approved amount for the previous Board term, as the compensation per Board member remained unchanged. The Board compensation to be paid for the 2022-2023 Board term is CHF 4.38 million and is therefore within the amount approved by the shareholders.

Exhibit 14: Board compensation (in CHF)

Board of Directors	Board term	
	2022-2023	2021-2022
Number of members	10	10
Total compensation	4,380,000	4,380,000
Maximum aggregate compensation amount approved at previous AGM	4,400,000	4,400,000

Compensation of former Board members

In 2022, no payment was made to any former Board member.

Compensation for services rendered

In 2022, ABB did not pay any fees or compensation to the members of the Board for services rendered to ABB other than those disclosed in this Compensation Report.

Shareholding of Board members

The members of the Board collectively owned less than 1 percent of ABB’s total shares outstanding at December 31, 2022.

Exhibit 37 in the section “Compensation tables and share ownership tables” shows the number of ABB shares held by each Board member at December 31, 2022, and 2021. Except as described in this Exhibit, no member of the Board and no person closely linked to a member of the Board held any shares of ABB or options in ABB shares.

Shares delivered to Board members as part of their compensation are blocked for a period of three years.

Exhibit 2 in the section “Compensation at a glance” shows the wealth at risk for each Board member, comparing the value of shares held at December 31, 2022, with the total compensation for the 2022-2023 term of office. At December 31, 2022, all Board members held ABB shares worth at least 300 percent of their 2022 total ABB Board compensation.

Executive Committee compensation policy

The EC compensation policy reflects ABB’s commitment to attract, motivate and retain people with the talent necessary to strengthen its position as a leading global technology company.

Compensation structure

The compensation structure is designed to be competitive, based on performance, and to encourage executives to deliver outstanding results and create sustainable shareholder value without taking excessive risks. The EC compensation framework therefore balances fixed and variable compensation. Variable compensation is provided through short-term and long-term incentives based on strategic, financial and sustainability related targets, recognizing Group,

business area and corporate function performance as well as individual performance.

This structure is linked to our strategy and is illustrated in Exhibit 3 in the section “Compensation at a glance”.

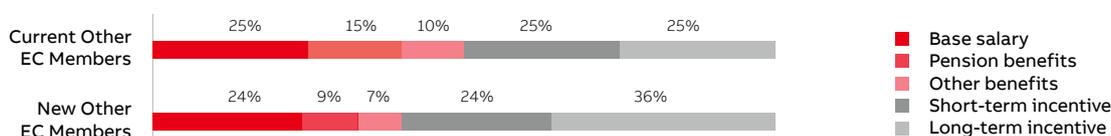
A significant portion of total compensation depends on variable pay components, which require the achievement of challenging performance targets, in alignment with ABB Annual and Long-Term Performance Plans.

The target AIP award is defined as a percentage of base salary, currently 100 percent for all EC members. There is no award under the AIP if performance is below threshold on all financial and individual performance measures. When performance exceeds targets, the maximum award is capped at 150 percent of the targeted amount.

The target LTIP grant size is defined as a percentage of base salary, currently 150 percent for the CEO and 100 to 150 percent for all other EC members. There will be no award under the LTIP if performance is below threshold for all applicable measures. When performance exceeds targets, the maximum award is capped at 200 percent of the conditional grant.

From 2022, the policy for the mix of fixed and variable target compensation elements for new EC members has been adjusted to provide a greater emphasis on variable pay. This is achieved by increasing the target LTIP grant size from 100 percent to 150 percent of base salary, while reducing the level of pension contributions and other benefits. The reduction of pension contributions and other benefits substantially offsets the increase of the LTIP component, and represents a shift from guaranteed pay elements to pay at risk. Fixed compensation for new EC members represents 40 percent of their target total compensation, in comparison to 50 percent for long-standing EC members. Exhibit 15 below illustrates the policy change for new EC entrants (excluding the CEO), applying an entry level salary of CHF 700,000 and an incumbent age of 50 years to reflect the pension benefits.

Exhibit 15: Policy for mix of target compensation for EC members (excluding CEO) appointed prior to and after 2022*



* Note that, by exception, the new mix of target compensation has not been applied to the newly appointed Chief Communications and Sustainability Officer.

Competitive positioning of compensation

The Board considers competitive market data when setting the compensation policy for the EC. It is also one of several factors in positioning the target compensation for individual EC members which include:

- individual profile of the EC member in terms of experience and skills;
- individual performance and potential;
- market value of the role (compensation benchmarking).

EC compensation benchmark reviews are performed every other year. The CC conducted a comprehensive compensation benchmarking review in 2022, based on the three peer groups, similar to those which were used in 2020.

While each of these peer groups match the size, scope and complexity of ABB, and exclude companies from the financial services sector, the use of a specific peer group depends on the nature of the role and the source of relevance. For example, a stronger emphasis is placed on the Global Industry peer group for operational roles and in compensation design, and on the Pan-European Market peer group for functional roles. In all cases, the other two peer groups are used to stress test the findings of the primary peer group (see the summary in Exhibit 16 below).

Exhibit 16: Peer groups for EC compensation benchmarking

Peer Group	Composition	Companies	Rationale
Global Industry	A tailored group of 16 global industry peer companies, matching the scale and complexity of ABB	AB SKF, Alstom, Airbus, Atlas Copco, Denso, Eaton, Emerson Electric, Honeywell, Mitsubishi Electric, Mitsubishi Heavy Industries, Schneider Electric, Schindler, Siemens, Thermo Fisher Scientific, Toshiba, Traton	Focus for business area roles and benchmarking compensation design
Pan-European Market	A panel of 50 cross-industry European companies, matching the scale and complexity of ABB	See footnote (1)	Focus for Corporate roles; continuity and stability of data points
Swiss Market	A panel of 16 Swiss headquartered companies, matching the scale and complexity of ABB	Adecco, Geberit, Givaudan, Glencore, Kuehne & Nagel, Holcim, Nestle, Novartis, Richemont, Roche, Schindler, SGS, Sika, STMicroelectronics, Swatch, Swisscom	Swiss location of headquarters

(1) AB InBev, Adidas, Air Liquide, Associated British Foods, AstraZeneca, BAE Systems, Bayer, Bouygues, British American Tobacco, Compass Group, Continental, CRH, Danone, Endesa, EssilorLuxottica, Fresenius, Fresenius Medical Care, GlaxoSmithKline, HeidelbergCement, Heineken, Henkel, Hennes & Mauritz, Holcim, Iberdrola, Imperial Brands, Industria de Diseno Textil, Jeronimo Martins SGPS, Kuehne & Nagel, Linde, L'Oreal, Michelin, National Grid, Naturgy Energy Group, Nokia, Novartis, Novo Nordisk, OMV, Philips, Rio Tinto, Safran, Saint Gobain, Sanofi, SAP, Schneider Electric, Telefonaktiebolaget LM Ericsson, Thales, Umicore, Veolia Environment, Vinci and Vodafone.

It is the intention to position target compensation for individual EC members between median and upper quartile of the relevant peer group(s) considering the other factors referenced above (e.g., the EC member's skills, experience, performance, potential).

The comparison of ABB to its compensation benchmarking peer groups shown in Exhibit 17 below is based on the latest review in 2022. This data shows that ABB is typically positioned at the median of key comparator indicators (market capitalization, revenues, and number of employees) against the Global Industry and Pan-European Market peer groups, and at the upper quartile of the Swiss Market peer group.

Exhibit 17: Comparison of ABB to compensation benchmarking peer groups⁽¹⁾

	Market capitalization ⁽²⁾⁽³⁾⁽⁴⁾	Revenues ⁽²⁾⁽⁴⁾⁽⁵⁾	Number of employees ⁽⁵⁾⁽⁶⁾
ABB	58.8	27.5	104,400
Global Industry			
Upper Quartile	78.5	36.3	133,924
Median	49.0	31.1	98,118
Lower Quartile	16.6	17.0	77,017
Pan-European Market			
Upper Quartile	75.4	40.0	124,435
Median	32.6	27.9	89,012
Lower Quartile	20.2	22.7	62,660
Swiss Market			
Upper Quartile	65.1	38.2	85,017
Median	32.0	16.4	58,635
Lower Quartile	20.1	9.1	30,348

(1) Data for market capitalization, revenues and number of employees are sourced from Thomson Reuters.

(2) Market capitalization and revenues are in CHF millions.

(3) Market capitalization is averaged over a period of three months (June 20, 2022, until September 20, 2022).

(4) All currencies have been converted to CHF, where needed, applying full-year average currency exchange rates based on the period from July 1, 2021, to June 30, 2022.

(5) Revenues and number of employees as per last financial year prior to October 2022.

(6) Number of employees in full-time equivalent (FTE) unless FTE information was not available, then in total number of employees.

Compensation elements

Exhibit 3 in the section “Compensation at a glance” sets out the purpose and link to strategy, the operation, the opportunity level and the performance measures. In addition, this section provides further details for each compensation element.

Fixed compensation - base salary and benefits

Purpose and link to strategy

Facilitate the attraction and retention of talented EC members; base salary compensates for the role and relevant experience; benefits protect against risks.

Base salary is paid in cash. Benefits consist primarily of retirement, insurance and healthcare plans that are designed to provide a reasonable level of support for the employees and their dependents in case of retirement, disability or death.

Opportunity levels

Base salary is set with reference to the scope of responsibilities, personal experience and skills, and competitive market data.

Benefit plans are set in line with the local competitive and legal environment and are, at a minimum, in accordance with the legal requirements of the respective country.

Performance measures and weighting

Base salary is adjusted considering the factors set out under opportunity levels above, the executive’s performance as well as their future potential.

Variable compensation - Annual Incentive Plan (AIP)

Purpose and link to strategy

The AIP is designed to reward EC members for the Group’s results, the results of their business area or corporate function and their individual performance over a time horizon of one year, and is aligned with the Annual Performance Plan approved by the Board.

Opportunity levels

The AIP opportunity levels for the EC are 100 percent of base salary at target with a maximum opportunity of 150 percent.

Performance measures and weighting

The AIP structure is designed to incentivize operational delivery and underpin our performance culture. As such, it is focused on key priorities, with a maximum of five measures.

- A common Group financial measure with a 20 to 25 percent weighting.
- Up to three Group or business area financial measures, with a 55 to 60 percent weighting.
- An individual measure with a 20 percent weighting. This individual component is informed by two or three goals which may include a combination of quantitative and qualitative goals.
 - From 2022, at least two of these goals relate to sustainability.
 - The final outcome against this individual measure is a discretionary judgment based on the combined performance against all individual goals.

A summary of the composition and total weighting of the measures for all EC members is set out in Exhibit 18.

Exhibit 18: Composition and weighting of AIP measures for EC members		
	CEO and corporate officers ⁽¹⁾	Business area Presidents
Common Group financial measure	25%	20%
Other Group financial measures	Up to three measures 55%	n.a.
Business area financial measures	n.a.	Up to three measures 60%
Individual measure	Includes up to three goals (minimum two sustainability related)	
	20%	20%
Total	100%	100%

(1) Corporate officers include Chief Financial Officer, Chief Human Resources Officer, General Counsel and Chief Communications and Sustainability Officer.

Other design features

For each performance measure, a target will be set corresponding to the expected level of performance that will generate a target (100 percent) award. For each measure except the individual measure, a minimum level of performance, below which there is no award (threshold) and a maximum level of performance, above which the award is capped at 150 percent of the target (maximum), will also be defined.

The payment schedule for financial AIP measures is calculated mathematically as summarized in the following Exhibit 19. For Group and business area financial measures, the award percentage achievements between threshold and target, as well as between target and maximum are determined by linear interpolations between these award points.

Exhibit 19: Payment schedule for the AIP of EC members

Level of performance	Below threshold	Threshold	Target	Maximum
Award achievement per financial measure	0%	>0%	100%	150%

The outcomes of the financial AIP measures are subject to appropriate discretionary upward or downward adjustments by the CC for non-operational items and other adjustment principles agreed with the Board, if and to the extent the CC considers this appropriate.

In addition, the CC/Board have discretionary authority to adjust the results and/or the AIP award. This specifically includes a downwards adjustment based on safety performance, including fatalities.

Variable compensation - Long-Term Incentive Plan (LTIP)**Purpose and link to strategy**

Rewards the achievement of predefined performance targets over a three-year period. Encourages the creation of long-term, sustainable shareholder value creation and is aligned with the Company's Long-Term Performance Plan approved by the Board.

Opportunity levels

For the CEO, the LTIP opportunity levels are 150 percent of base salary at target, with a maximum opportunity of 300 percent of base salary.

As per the policy change announced in last year's Compensation Report, the target and maximum opportunity levels for EC members newly appointed from 2022 are 150 percent and 300 percent of base salary, respectively. This is designed to provide an increased focus on variable, performance related compensation and is mostly offset by a reduction in costs related to pension and other benefits.

The LTIP opportunity levels for EC members appointed prior to 2022 are 100 percent of base salary at target, with a maximum opportunity of 200 percent of base salary. This has also been applied, by exception, to the newly appointed Chief Communications and Sustainability Officer in line with external market data, reflecting the scope of the role.

The previously existing discretionary option to increase or decrease individual target grants under the LTIP for EC members, except the CEO, has been discontinued as from 2022, except for the option to make no grants in certain circumstances.

Performance measures and weighting

The LTIP has, from 2022, three performance measures:

Earnings Per Share (EPS)

- Achievement against this measure is determined by ABB's average EPS over a three-year period. The average EPS result is calculated from the sum of EPS for each of the three relevant years, divided by three.
- EPS is defined as "Diluted earnings per share attributable to ABB shareholders, calculated using Income from continuing operations, net of tax, unless the Board elects to calculate using Net income for a particular year".
- Appropriate threshold (zero), target (100 percent) and maximum (200 percent) award points are reviewed by the CC on an annual basis.
- Performance target and award points are set using the Company's Long-term Performance Plan and are calibrated with an independent "outside-in" view, taking into account the growth expectations, risk profile, investment levels and profitability levels that are typical for the industry.
- Adjustments to the outcome of the EPS achievement level may be considered for items which are not part of, or the result of, the normal course of business operation and/or which were not considered, either by way of inclusion or exclusion, for the target-setting of a specific LTIP launch. Only the net impact of such adjustments over the vesting period of the respective LTIP grant will be considered.

Total Shareholder Return (TSR)

- Achievement against this measure is determined by ABB's relative TSR performance against a defined peer group.
- The constituents of the peer group and the appropriate threshold (zero), target (100 percent) and maximum (200 percent) award points are reviewed by the CC on an annual basis.
- The TSR calculations are made for the reference period beginning in the year of the conditional grant of the shares and ending three years later. The evaluation is performed by an independent third party.
- For grants from 2022, the award curve for the TSR measure has been adjusted to become more challenging. The threshold point for awards, above which vesting starts, has been moved from the 25th percentile to the 50th percentile (P50) of the TSR peer group, i.e., there is no vesting for performance below P50.
- Vesting for P50 achievement remains at 100 percent of target, and vesting for a 75th

percentile (P75) achievement level remains at 200 percent of target (capped). There is a linear vesting for an achievement between P50 and P75 (100 to 200 percent of target).

Sustainability

- The Board determines on an annual basis the LTIP specific sustainability measure(s), as well as related target(s) and award points, to incentivize material progress towards our 2030 sustainability strategy commitments.
- Appropriate threshold (zero), target (100 percent) and maximum (200 percent) award points are reviewed and approved by the CC on an annual basis.
- Adjustments to the outcome of the sustainability achievement may be considered for items which are not part of, or the result of the normal course of business operation and/or which were not considered, either by way of inclusion or exclusion, for the target-setting of a specific LTIP launch. Only the net impact of such adjustments over the vesting period of the respective LTIP grant will be considered.

The relative weighting of measures for the LTIP is as follows:

- EPS measure: 50 percent
- TSR measure: 30 percent
- Sustainability measure: 20 percent

Other design features

The number of shares to be granted is determined by dividing the grant value by the average share price over the period of 20 trading days prior, and 20 trading days after, the date of publication of ABB’s full year financial results. Settlement of the LTIP is three years after grant, subject to achievement of performance conditions, defined prior to grant.

The actual settlement of shares awarded will vary between zero and 200 percent of the shares conditionally granted, according to achievement against the performance measures stated above.

The vesting schedule for the LTIP is shown in the following Exhibit 20. The award percentage achievements between threshold and target, as well as between target and maximum, are determined by linear interpolations between these award points.

Exhibit 20: Vesting schedule for the LTIP of EC members*

Level of performance	Below threshold	Threshold	Target	Maximum
Award achievement per measure	0%	>0%	100%	200%

* For the TSR measure, the threshold point equals the target point.

The CC has the discretion to adjust the formulaic LTIP vesting outcome, to reflect the overall performance of ABB over the performance period.

Default settlement of the final LTIP award is 100 percent in shares, and beginning with grants made conditionally in 2020, an automatic sell-to-cover is in place for employees who are subject to withholding taxes.

LTIP shares are subject to malus and clawback rules, which include illegal activities, any financial misstatement and reputational damage that have a material impact on ABB Ltd or one of its subsidiaries. This means that the Board may decide not to award any unsettled or unvested incentive compensation (malus), or may seek to recover long-term incentive compensation that has been settled in the past (clawback). Clawback applies for a period of up to five years following the originally scheduled plan specific vesting date.

The CC also has the ability to suspend the delivery of awards if it is likely that the Board will determine that the malus or clawback provisions may potentially apply (e.g., if the employee is subject to an external investigation).

For LTIP grants from 2021, there is no automatic accelerated vesting of awards in the event of a change of control.

For LTIP grants from 2022, participants are entitled to receive a cash amount (a “dividend equivalent payment”) on each vested award share that is equal to the total dividends per share paid by the Company on the ABB Ltd share between the grant date and the delivery date of the vested award. This is offset by reducing other benefits by a similar level over the life of the share grant.

Total wealth at risk / Share ownership

Purpose and link to strategy

To align EC members’ personal wealth directly with the interests of shareholders in order to maintain focus on the long-term success of the Company.

Share ownership program

EC members are required to retain all shares vested from the Company’s LTIP and any other share-based compensation until their share

ownership requirement is met. In circumstances where there is a withholding tax obligation, the number of shares received will be considered to be the number of shares vested minus the shares sold under the default sell-to-cover facility.

The share ownership requirement is equivalent to a multiple of the EC member's annual base salary, net of taxes (see Exhibit 3 in the section "Compensation at a glance"). These share ownership requirements are aligned with market practice and result in a wealth at risk for each EC member which is aligned with shareholder interests.

Only vested shares owned by an EC member and their spouse count for the comparison of the actual share ownership against the share ownership requirement.

The CC reviews the status of EC share ownership on an annual basis. It also reviews the required shareholding amounts annually, based on salary and expected share price developments.

Notice period, severance provisions and non-competition clauses

Employment contracts for EC members include a notice period of 12 months, during which they are entitled to their annual base salary, short-term incentive and benefits. In accordance with Swiss law and ABB's Articles of Incorporation, the contracts for the EC members do not allow for any severance payment.

Non-compete agreements have been entered into with the CEO and all other EC members for a period of 12 months after their employment. Compensation for such agreements, if any, may not exceed the EC member's last total annual cash remuneration (comprising of base salary, short-term incentive and benefits).

Implementation of EC compensation policy

Overview

EC members received total compensation of CHF 36.0 million in 2022, compared with CHF 39.2 million in 2021, as summarized in Exhibit 21 below and presented in detail in Exhibits 38 and 39.

At the 2021 AGM, the shareholders approved a maximum aggregate compensation amount of CHF 40 million for the EC for the year 2022. The EC total compensation for 2022 amounted to CHF 36.0 million and is therefore within the approved amount (see Exhibit 21).

Exhibit 21: Total compensation of EC members (monetary values in CHF)⁽¹⁾		
	Calendar year	
	2022	2021
Number of active EC members	9	9
Base salaries	8,341,720	8,713,406
Pension benefits	4,334,281	4,795,259
Other benefits	4,894,480	4,819,803
Total fixed compensation	17,570,481	18,328,468
Short-term incentives	9,879,882	12,144,280
Long-term incentives (fair value at grant)	8,584,710	8,684,298
Total variable compensation	18,464,592	20,828,578
Total compensation	36,035,073	39,157,046
Maximum aggregate compensation approved at AGM	40,000,000	39,500,000

(1) For an overview of compensation by individual and component, please refer to Exhibits 38 and 39 in the section "Compensation tables and share ownership tables" below. An overview of 2022 realized compensation by individual is provided in Exhibit 44 in the same section.

The total compensation for the EC in 2022 decreased by 8.0 percent compared to 2021. This mainly reflects the impact of the lower 2022 AIP awards compared to 2021. The overall lower pension benefits for 2022 compared to 2021 are informed by the application of our new compensation structure for new EC members where pension benefits and other benefits have been lowered and replaced by an increased LTIP grant size level, to provide higher emphasis on performance instead of guaranteed compensation.

Compensation mix

The ratio of fixed to variable components in any given year depends on the performance of the Company and individual EC members against predefined performance targets.

Exhibit 5 in the section “Compensation at a glance” shows the composition of the 2022 total annual compensation for the CEO and for other current EC members on an aggregate level, specifying the split of its five compensation components.

In 2022, the variable compensation of the CEO was 56 percent of his total annual compensation (previous year: 61 percent). For the other EC members, the variable compensation was 51 percent on average (previous year: 54 percent). The reductions in 2022 from the prior year reflect the lower variable pay awards.

Note that compensation paid in 2022 for former EC members is not included in Exhibit 5. This can be found in Exhibit 38.

Compensation elements – 2022 highlights

Base salary

The salaries of the EC members have been reviewed as part of the regular compensation review. As a result, the Board and the CC decided to increase the salaries of five of the nine EC members in place in March 2022. The base salary of Björn Rosengren was increased by 5.0 percent to CHF 1,785,000, Timo Ihamuotila by 2.1 percent to CHF 990,000, Carolina Granat by 3.6 percent to CHF 725,000, Peter Terwiesch by 3.8 percent to CHF 830,000 and Morten Wierod by 12.5 percent to CHF 900,000. These salary changes were made to reward exceptional performance of these EC members, ensure their total compensation opportunity does not fall behind their relevant target market position, and in the case of Morten Wierod, to reflect a broadening of responsibilities.

Considering that the other four EC members in place in March 2022 had no salary adjustments, this corresponded to a 3.25 percent increase on annual base salaries for the EC members post March 2022.

Annual Incentive Plan (AIP) - design

Under the AIP, all members of the EC had a common Group measure, with a 20 to 25 percent weighting. In 2022, this was Group Operational EBITA margin, applied to create a greater focus on profitability.

In addition to the common Group measure, the CEO and the corporate officers shared the same Group measures, including Revenues, Free Cash Flow and Productivity growth, with a total weighting of 55 percent.

For business area Presidents, up to three measures were tailored to business imperatives, with a total weighting of 60 percent. While all business area Presidents shared one measure (Operational EBITA margin, with 25 to 30 percent), the second and third measure varied, including Productivity growth, Revenues, Operational Free Cash Flow, Order Gross Margin and Operational revenues gross profit productivity growth, for the remaining 25 to 30 percent.

Exhibit 22 on the next page shows the composition and weighting of the financial measures applied in 2022 for all EC members under their AIP, specified by their roles. Definitions of the financial measures applied for all EC members are set out in the Exhibit 23.

Exhibit 22: Composition and weighting of 2022 AIP measures for EC members

	Focus of measure	CEO and corporate officers ⁽¹⁾	President Electrification	President Motion	President Process Automation	President Robotics & Discrete Automation
Common Group financial measure	Bottom line earnings	Op EBITA margin 25%	Op EBITA margin 20%	Op EBITA margin 20%	Op EBITA margin 20%	Op EBITA margin 20%
Other Group financial measures	Top line output	Revenues 25%				
	Cash generation	Free Cash Flow 20%				
	Bottom line output	Productivity growth 10%				
Business area financial measures	Bottom line earnings		Op EBITA margin 30%	Op EBITA margin 25%	Op EBITA margin 30%	Op EBITA margin 30%
	Cash generation		Op Free Cash Flow 20%			
	Top line input			Revenues 25%		Revenues 20%
	Bottom line profit				Order Gross Margin 20%	
	Bottom line output				Operational revenues gross profit productivity growth 10%	
	Bottom line output		Productivity growth 10%	Productivity growth 10%		Productivity growth 10%
Individual measure	CO ₂ emissions, Female leaders, Cost discipline, Safety, Strategy implementation, Internal controls	Function-specific 20%				
	CO ₂ emissions, Safety, Female graduate recruitment, M&A, Digital revenue growth, Strategy implementation		Business-specific 20%	Business-specific 20%	Business-specific 20%	Business-specific 20%
Total		100%	100%	100%	100%	100%

(1) Corporate officers include Chief Financial Officer, Chief Human Resources Officer, General Counsel and Chief Communications and Sustainability Officer.

Exhibit 23: Definition of quantitative measures, applied in 2022

Measure	Description
Operational EBITA margin (%) ⁽¹⁾	Operational EBITA, which is Operational earnings before interest, tax and acquisition-related amortization, as a percentage of Operational revenues, which is total revenues adjusted for foreign exchange/commodity timing differences in total revenues
Revenues	Amount of consolidated revenues recognized during the year in accordance with USGAAP
Free Cash Flow (FCF) ⁽¹⁾	Free Cash Flow is calculated as net cash provided by operating activities adjusted for: (i) purchases of property, plant and equipment and intangible assets, and (ii) proceeds from sales of property, plant and equipment
Productivity growth (%)	Productivity is calculated as 12-month rolling revenues over the average number of total workforce in the last three months. Growth is the change of productivity over the same period a year earlier, represented as a percentage change
Operational Free Cash Flow (OFCF)	Cash flows from operating activities excluding cash paid for interest and taxes and including (i) purchases of property, plant and equipment and intangible assets, and (ii) proceeds from sales of property, plant and equipment
Order Gross Margin (%)	Gross profit on orders (calculated by deducting total costs to complete the order from the total revenue value of the order) divided by the total revenue value of the order as calculated in the final contract offering to the customer
Operational revenues gross profit productivity growth (%)	Operational revenues gross profit productivity is calculated as the 12-month rolling operational revenues gross profit divided by the average number of total workforce in the last three months. Where operational revenues gross profit is calculated as gross profit (as defined under USGAAP) adjusted for the following non-operational items to the extent that they are included within the USGAAP gross profit amount: (i) foreign exchange/commodity timing differences, (ii) acquisition-related amortization, (iii) restructuring, related and implementation costs, (iv) changes in obligations related to divested businesses, (v) changes in pre-acquisition estimates, (vi) acquisition- and divestment-related expenses and integration costs, (vii) other income/expense relating to the Power Grids joint venture and (viii) certain other non-operational items. Growth is the change in productivity over the same period a year earlier, represented as a percentage change

(1) Full definition can be found in the section "Alternative performance measures" in ABB's Integrated Report 2022.

All EC members also had an individual measure with a 20 percent weighting. This individual component was informed by up to three goals, which included a combination of quantitative and qualitative goals. From 2022, at least two of these goals relate to sustainability, e.g., GHG emissions, safety or female leader targets. The final outcome against the individual measure was based on a discretionary judgment of the combined performance against all three goals.

- In 2022, all the EC had a common environmental goal – namely the reduction of GHG emissions. For the CEO and the corporate officers, this related to Group level and for business area Presidents to their respective business areas.
- For the CEO and corporate officers, the other goals were linked to the level of Female leaders, Cost discipline, Safety, Strategy implementation, or Internal controls.
- Business area Presidents continued to have a Safety goal. Their other goals related to Female graduate recruitment, M&A, Digital revenue growth, or Strategy implementation.

Outcomes were subject to appropriate adjustments for some non-operational items and other adjustment principles agreed with the Board.

2022 Annual Incentive Plan – achievements

The average award for the current EC members under the AIP for 2022 was 118.3 percent (out of a maximum 150 percent), compared to 143.4 percent in 2021. The 2022 AIP outcomes were net of the application of adjustments for some

non-operational items, aligned with adjustment principles agreed with the Board. These led to adjustments of awards for three EC members, ranging from a five percent decrease to a 15 percent increase of awards.

Common Group measure

Achievement against the 2022 Group Operational EBITA margin measure, which applied to all EC members, with a weighting of 20 percent for the business areas Presidents and 25 percent for the CEO and corporate officers, was 150 percent (2021: 150 percent). Therefore the weighted achievement related to the common Group measure was 30.0 percent for the business area Presidents, and 37.5 percent for the CEO and the corporate officers.

Other Group measures

The outcome related to the other three Group measures, applied to the CEO and corporate officers, was at 95.5 percent. Achievement against the Group Revenue target, with a 25 percent weighting, was 150 percent (2021: n.a.). Achievement against the Free Cash Flow target, with a weighting 20 percent, was zero percent (2021: 150 percent). Achievement against the Productivity growth target, with a weighting of 10 percent, was 150 percent (2021: 150 percent). Therefore the compound achievement related to these three Group measures was 52.5 percent.

Business area measures

Up to three quantitative business measures were applied to the business area Presidents, with weightings from 10 to 30 percent, and the

outcomes ranged from zero to 150 percent of target (2021: 119 to 150 percent).

Achievement against the Operational EBITA margin measure ranged from zero to 150 percent for all business areas (2021: 119 to 150 percent), Revenues 49.1 to 150 percent for the two business areas applicable (2021: n.a.), Operational Free Cash Flow 40.5 percent (2021: 150 percent), Order Gross Margin 150 percent (2021: n.a.), Productivity growth zero to 150 percent for three business areas applicable (2021: 150 percent) and Operational revenues gross profit productivity growth 150 percent (2021: n.a.). Therefore the compound

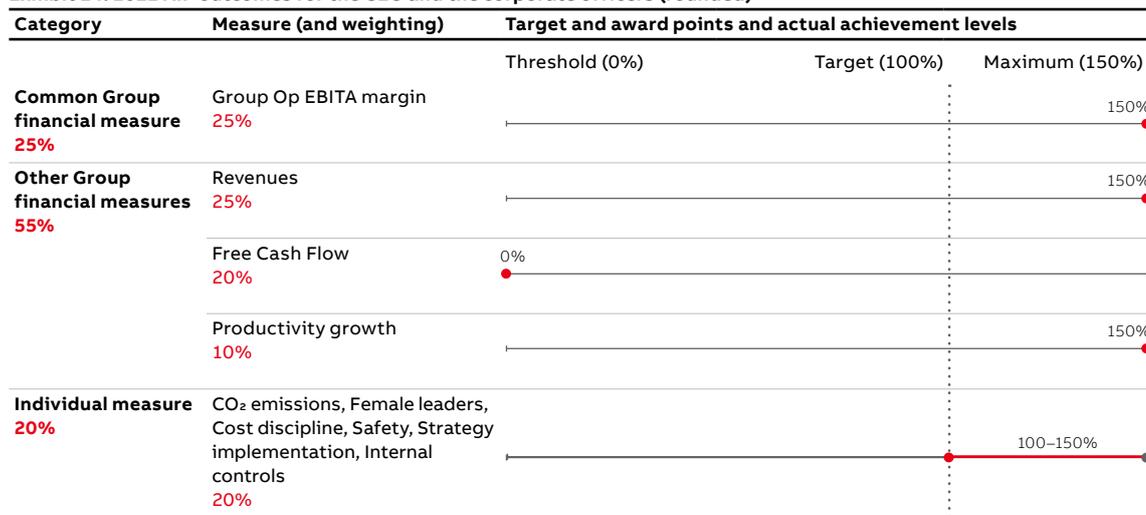
weighted achievement related to these business area measures ranged from 12.4 to 90.0 percent (2021: 80.8 to 90.0 percent).

Individual measure

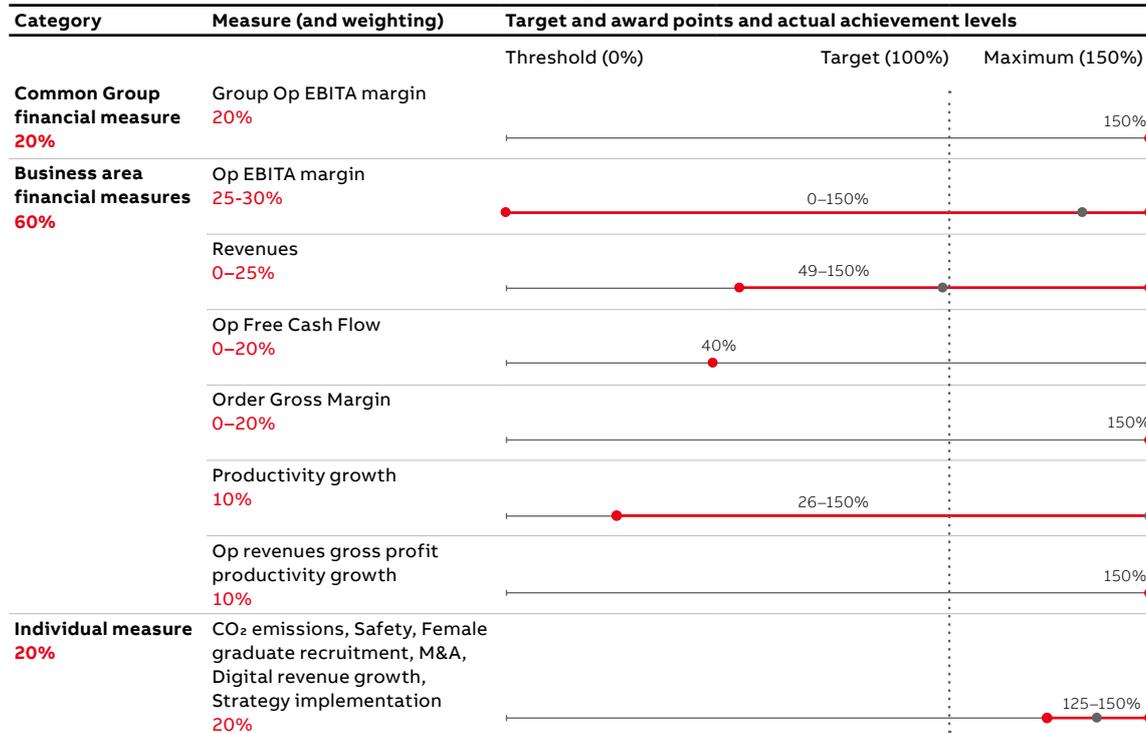
The assessed achievement of the goals informing the outcome of the individual component for EC members, with a weighting of 20 percent, inclusive of the achievement of the sustainability goals (Safety, Female leader and emissions targets), ranged from 100 to 150 percent (2021: 100 to 150 percent).

These outcomes are summarized in Exhibit 24.

Exhibit 24: 2022 AIP outcomes for the CEO and the corporate officers (rounded)



2022 AIP outcomes for the business area Presidents (rounded)



● Actual achievement (dot) or range of actual achievements (line between minimum and maximum dot)
● Median achievement for the applicable range

Overall outcomes

The overall average award under the 2022 AIP for the entire current EC was 118.3 percent of target (2021: 143.4 percent) with a range from 67.4 percent (lowest achievement) to 150 percent of

target (highest achievement). This compared to a range of 140.0 to 145.0 percent in 2021.

Exhibit 25 provides information related to the overall actual 2022 AIP outcomes, in comparison to the target 2022 AIP for all current EC members.

Exhibit 25: Overview of targeted and realized 2022 AIP values

	Common Group measure			Other Group measures			Business area measures			Individual measure			Total AIP outcome Percentage (in % of target)	Target AIP award (in CHF)	Actual AIP award (in CHF) ⁽³⁾
	Achievement	Weighting	Outcome	Achievement	Weighting	Outcome	Achievement	Weighting	Outcome	Achievement	Weighting	Outcome			
Björn Rosengren	150.0%	25.0%	37.5%	95.5%	55.0%	52.5%	n.a.	n.a.	n.a.	150.0%	20.0%	30.0%	120.0%	1,785,000	2,142,000
Timo Ihamuotila	150.0%	25.0%	37.5%	95.5%	55.0%	52.5%	n.a.	n.a.	n.a.	150.0%	20.0%	30.0%	120.0%	990,000	1,188,000
Carolina Granat	150.0%	25.0%	37.5%	95.5%	55.0%	52.5%	n.a.	n.a.	n.a.	150.0%	20.0%	30.0%	120.0%	725,000	870,000
Andrea Antonelli ⁽¹⁾	150.0%	25.0%	37.5%	95.5%	55.0%	52.5%	n.a.	n.a.	n.a.	125.0%	20.0%	25.0%	115.0%	583,334	670,833
Karin Lepasoon ⁽²⁾	150.0%	25.0%	37.5%	95.5%	55.0%	52.5%	n.a.	n.a.	n.a.	100.0%	20.0%	20.0%	110.0%	150,000	165,000
Sami Atiya	150.0%	20.0%	30.0%	n.a.	n.a.	n.a.	20.6%	60.0%	12.4%	125.0%	20.0%	25.0%	67.4%	800,000	539,200
Tarak Mehta	150.0%	20.0%	30.0%	n.a.	n.a.	n.a.	139.7%	60.0%	83.8%	150.0%	20.0%	30.0%	143.8%	930,000	1,337,340
Peter Terwiesch	150.0%	20.0%	30.0%	n.a.	n.a.	n.a.	150.0%	60.0%	90.0%	150.0%	20.0%	30.0%	150.0%	830,000	1,245,000
Morten Wierod	150.0%	20.0%	30.0%	n.a.	n.a.	n.a.	106.0%	60.0%	63.6%	125.0%	20.0%	25.0%	118.6%	900,000	1,067,400
Total														7,693,334	9,224,773

(1) EC member as of March 1, 2022. Target and Actual AIP awarded are prorated for the time employed in year 2022.

(2) EC member as of October 1, 2022. Target and Actual AIP awarded are prorated for the time employed in year 2022.

(3) Represents accrued AIP award for the year 2022, which will be paid in 2023, after the publication of ABB's financial results.

Long-Term Incentive Plan (LTIP)

2022 LTIP grants

The estimated value at grant of the share-based grants to EC members under the 2022 LTIP was CHF 8.6 million, compared with CHF 8.7 million in 2021.

The reference price for the 2022 LTIP grant which was used to determine the number of shares granted to participants was CHF 32.48.

The 2022 LTIP is based on three performance measures: ABB's EPS, ABB's TSR and a sustainability measure.

Targets and award points under the EPS measure are considered as commercially sensitive information and will only be disclosed retrospectively after the end of the relevant LTIP performance period.

As in the previous year, ABB made the achievement of the EPS threshold point more challenging by further decreasing the range between the EPS target and award points (range reduced from plus/minus 14 percent of target for 2021 LTIP to plus/minus 11 percent of target for the 2022 LTIP) to reflect the perceived EPS volatility during the performance period.

The peer companies approved by the Board to determine ABB's relative TSR performance for the 2022 LTIP were: 3M, Danaher, Eaton, Emerson Electric, General Electric, Honeywell Intl., Holcim, Legrand, Mitsubishi Electric, Raytheon

Technologies, Rockwell, Rolls Royce, Schneider Electric, Siemens and Yokogawa. These were selected as they are comparable in their size, scope and complexity to ABB and compete in markets that are key to ABB. They also provide an appropriate and very challenging set of peers, and influenced the vesting point setting accordingly.

For 2022, the sustainability measure was the Company's scope 1 and 2 GHG emissions reduction at the end of the three-year performance period (2022-2024), compared to the 2019 baseline, which was defined without the divested Power Grids business. The approved sustainability target and award points for the 2022 LTIP are illustrated in Exhibit 26 below.

Exhibit 26: Sustainability target and award points for the 2022 LTIP

Measure	Weighting	Threshold	Target	Maximum
ABB scope 1&2 CO ₂ equivalent emissions reduction compared to 2019 baseline	20%	60%	70%	80%

Below threshold point: no award;

At target point: 100 percent award;

At or above maximum point: capped at 200 percent award;

Linear interpolations between award points.

The 2022 LTIP target and award points are illustrated in Exhibit 27.

Exhibit 27: 2022 LTIP target and award points

Measure	Weighting	Threshold	Target	Maximum
Average EPS	50%	Target point -11%	Disclosed after performance period	Target point +11%
Relative TSR	30%	50th percentile		75th percentile
Reduction of scope 1&2 CO ₂ equivalent emissions compared to 2019 baseline	20%	60.0%	70.0%	80.0%

Below threshold point: no award;
 At target point: 100 percent award;
 At or above maximum point: capped at 200 percent award;
 Linear interpolations between award points;
 The average EPS target is not prospectively disclosed for reasons of commercial sensitivity.

2023 LTIP grants

The sustainability measure applied to the 2022 LTIP will also be applied in 2023, namely the scope 1 and 2 GHG emissions reduction at the end of the three-year performance period (2023-2025), compared to the 2019 baseline. Details of the long-term GHG emissions reduction targets can be found in [ABB's Sustainability Report 2022](#).

The targets and award points have been structured to reflect ABB's progress to date, its long-term ambitions, and that as the targets get higher, the overall stretch to achieve them is even more challenging.

- The threshold value of 75.0 percent emissions reduction versus the 2019 baseline is above the mid-term target of 70 percent.
- The target value of 77.5 percent is in line with ABB's long-term forecast for 2025.
- The maximum value of 80.0 percent is in line with our 2030 Sustainability Strategy target. If it is achieved in 2025, it would mean we have delivered our target five years ahead of our commitment.

Exhibit 28: Sustainability target and award points for the 2023 LTIP

Measure	Weighting	Threshold	Target	Maximum
ABB scope 1&2 CO ₂ equivalent emissions reduction compared to 2019 baseline	20%	75.0%	77.5%	80.0%

Below threshold point: no award;
 At target point: 100 percent award;
 At or above maximum point: capped at 200 percent award;
 Linear interpolations between award points.

2019 LTIP achievements

The final number of shares vesting under the 2019 LTIP grant in 2022 was determined based on the achievement level against the predefined TSR and EPS targets.

The relative ranking of ABB's TSR measure against the predefined peer group of companies for the 2019 LTIP set on the 86th percentile, which led to a vesting level of 200.0 percent (previous year: 114.8 percent) out of a potential of 200 percent.

The three-year average EPS amounted to USD 0.86, which led to a vesting level of 42.0 percent (previous year: zero percent) out of a potential 200 percent, net of adjustments for items considered outside the normal course of business operation and/or which were not considered in the target setting of the 2019 LTIP. On this occasion, adjustments were made for the impact of divestments, M&A related integration costs and restructuring costs.

In line with our commitment to retrospectively disclose the EPS performance targets for vested LTIP awards, the three target and award points (threshold, target and maximum) and the actual achievement for the adjusted 2019 EPS performance measure are shown in Exhibit 29 below.

The average weighted achievement level of the two performance measures under the 2019 LTIP was 121.0 percent (out of a maximum 200 percent), as specified in Exhibit 29.

Exhibit 29: Target and award points and achievement levels of 2019 LTIP performance measures

Measure	Weighting	Threshold	Target	Maximum	Actual
Relative TSR	50%	25th percentile	50th percentile	75th percentile	86th percentile
Achievement level		0%	100%	200%	200%
Average EPS (USD)	50%	0.75	1.00	1.25	0.86
Achievement level		0%	100%	200%	42%
Award as percentage of target (capped at 200%)					121.0%

Overview of disclosed and realized 2019 LTIP value

The following table compares the previously disclosed "fair value" of the grant to each EC member and the actual value of the grant at the time of vesting. The following Exhibit 30 shows

such comparison for the 2019 LTIP, that vested in 2022.

Exhibit 30: Realized value of 2019 LTIP grant for current EC members

	Grant date	Number of shares granted related to the TSR measure ⁽¹⁾	Shares granted related to the EPS measure ⁽²⁾	Total number of shares granted	Disclosed grant fair value (CHF) ⁽³⁾	Vesting date	Vesting percentage	Number of vested shares	Realized value (CHF) ⁽⁴⁾
Björn Rosengren	n.a.					n.a.			
Timo Ihamuotila	May 16, 2019	24,536	24,535	49,071	836,661	May 16, 2022	121.0%	59,377	1,680,963
Carolina Granat	n.a.					n.a.			
Andrea Antonelli	n.a.					n.a.			
Karin Lepasoon	n.a.					n.a.			
Sami Atiya	May 16, 2019	24,794	24,793	49,587	845,459	May 16, 2022	121.0%	60,002	1,698,657
Tarak Mehta	May 16, 2019	22,211	22,211	44,422	757,396	May 16, 2022	121.0%	53,751	1,521,691
Peter Terwiesch	May 16, 2019	20,662	20,661	41,323	704,559	May 16, 2022	121.0%	50,002	1,415,557
Morten Wierod	May 16, 2019	18,079	18,079	36,158	616,494	May 16, 2022	121.0%	43,752	1,238,619
Total					3,760,569				7,555,487

(1) Actual achievement level of the TSR measure was 200.0 percent.
 (2) Actual achievement level of the EPS measure was 42.0 percent.
 (3) Valued at CHF 17.05, the grant fair value of the ABB share on the day of grant.
 (4) Valued at CHF 28.31, the closing price of the ABB share on the day of vesting.

The values presented are gross and before payment of any applicable taxes owing by the recipient. This indicates the average gross

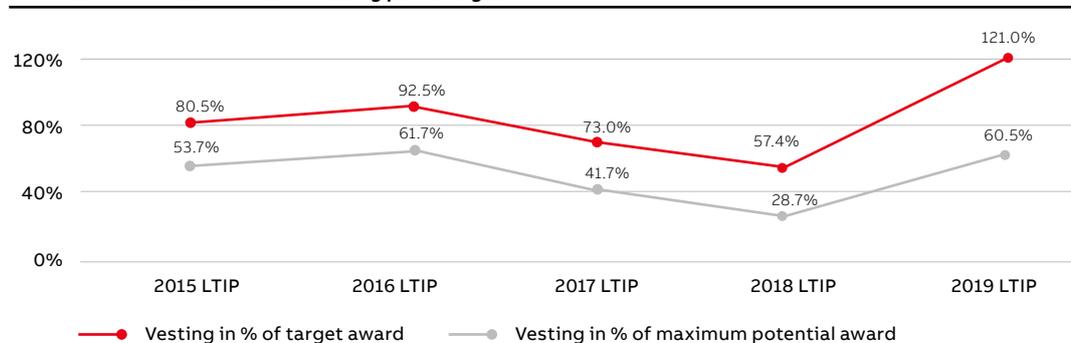
realized LTIP value was 200.9 percent of the disclosed grant fair value.

LTIP vesting outcomes in the last five years

The historical LTIP vesting outcomes for the prior five years are shown in Exhibit 31 below. Over the last five years vesting has averaged at 84.9

percent of target and 49.3 percent of the maximum award.

Exhibit 31: LTIP historical actual vesting percentages⁽¹⁾



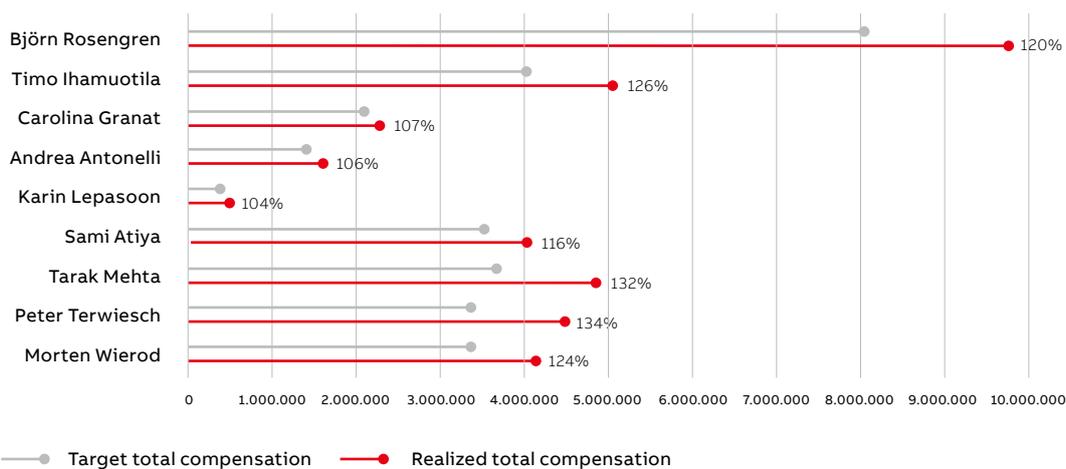
(1) According to plan-specific relative weighting of relevant performance measures.

Realized total compensation - 2022

We disclose the realized total compensation for each EC member. Realized compensation relates to the AIP award and the LTIP award at the end of their respective performance cycles, reflecting actual payment and settlement, based on achievements of the plan specific performance measures.

Such transparency on realized compensation is designed to aid stakeholder’s understanding of ABB’s link between pay and performance.

The following Exhibit 32 sets out a high-level comparison of realized and target total compensation for each EC member. A detailed summary table is given in Exhibit 44 in the section “Compensation tables and share ownership tables“.

Exhibit 32: Realized 2022 total compensation (in CHF) compared to target total compensation

Other compensation - 2022

Members of the EC are eligible to participate in the Employee Share Acquisition Plan (ESAP), a savings plan based on stock options, which is open to employees around the world. Five members of the EC participated in the 19th annual ESAP launch of the plan in 2022. EC members who participated will, upon vesting, each be entitled to acquire up to 360 ABB shares at CHF 27.99 per share, the market share price at the start of the 2022 launch.

For a more detailed description of the ESAP, please refer to “Note 18 – Share-based payment arrangements” in our Consolidated Financial Statements.

In 2022, ABB did not pay any fees or compensation to the members of the EC for services rendered to ABB other than those disclosed in this Compensation Report. Except as disclosed in the section “Executive Committee – Business relationships between ABB and its EC members” in [ABB’s Corporate Governance Report 2022](#), the Company did not pay any additional fees or compensation in 2022 to persons closely linked to a member of the EC for services rendered to ABB.

Shareholding of EC members

Four out of nine EC members have exceeded their share ownership requirement. Two further members are close to achieving their requirement, while three members have been newly appointed to the EC in the last two years. The individual shareholding in comparison to the relevant ownership requirement is shown in Exhibit 9 in the section “Compensation at a glance”.

The EC members collectively owned less than 1 percent of ABB’s total shares outstanding at December 31, 2022.

At December 31, 2022, EC members held ABB shares and conditional rights to receive shares, as shown in Exhibit 42 in the section “Compensation tables and share ownership tables” below. Their holdings at December 31, 2021, are shown in Exhibit 43 in the same section.

As previously communicated, as from 2020, grants under the Management Incentive Plan (MIP), a stock option plan without performance conditions, have been discontinued, and no further grants were made. Any MIP instruments held by EC members were awarded prior to their appointment as EC members. For a more detailed description of MIP, please refer to “Note 18 – Share-based payment arrangements” in our Consolidated Financial Statements.

Except as described in Exhibits 42 and 43, no member of the EC and no person closely linked to a member of the EC held any shares of ABB or options on ABB shares at December 31, 2022, and 2021.

Accelleron equity restoration

In October 2022, ABB shareholders received a dividend in kind in Accelleron shares at the spin-off date. Granted but unvested, Performance Share Units (PSU) and Restricted Share Units (RSU) held by ABB employees at the time of the spin-off date, including members and former members of the EC, were not entitled to receive the dividend in kind distribution.

As contemplated by the terms of the LTIP rules, to ensure equal treatment of PSU and RSU holders relative to ABB shareholders, ABB increased the previously granted number of shares by 3.7 percent to reflect the impact of the Accelleron

spin-off, to ensure that ABB employees including EC members are not disadvantaged by the spin-off relative to ABB shareholders.

The total value related to the additional shares granted for the EC was CHF 0.9 million. The amount was equivalent to the estimated reduction in value of the ABB share as a result of the dividend in kind related to the spin-off and as such are not considered by the CC to be additional compensation.

Changes applicable to EC members

Terms of appointment for new EC members

The new General Counsel & Company Secretary, Andrea Antonelli, was appointed to the EC effective from March 1, 2022, with an annual base salary of CHF 700,000, a target short-term incentive of 100 percent of annual base salary and a target long-term incentive of 150 percent of annual base salary. Andrea Antonelli is eligible for standard EC benefits as per the policy announced in last year's Compensation Report.

The new Chief Communications & Sustainability Officer (CCSO), Karin Lepasoon, was appointed to the EC effective from October 1, 2022, with an annual base salary of CHF 600,000, a target short-term and target long-term incentive of 100 percent of annual base salary respectively. Karin Lepasoon is eligible for standard EC benefits as per the policy announced in last year's Compensation Report and received standard relocation benefits.

Terms of departure for EC members

The previous General Counsel & Company Secretary, Maria Varsellona, resigned from ABB and

departed on March 31, 2022. She received compensation and benefits up to the point of her departure. This includes a contractually agreed pro-rata short-term incentive payment of CHF 181,985 for the period January 1 to March 31, 2022. All her unvested LTIP share grants and the unvested second tranche of her replacement share grant were forfeited.

The previous CCSO, Theodor Swedjemark, resigned from ABB and stepped down from the EC as per October 31, 2022. He will depart from ABB on February 28, 2023. He is entitled to receive compensation and benefits up to the point of his departure. This includes a contractually agreed short-term incentive payment of CHF 473,124 for 2022 and a pro-rata short-term incentive payment of CHF 78,854 for the period January 1 to February 28, 2023. All his unvested LTIP share grants were forfeited.

Compensation of former EC members

In 2022, certain former EC members received contractual compensation for the period after leaving the EC, as shown in Exhibit 38, footnote (5).

Votes on compensation at the 2023 AGM

As illustrated in Exhibit 33, the Board's proposals to shareholders at the 2023 AGM will relate to Board compensation for the 2023–2024 term of office and EC compensation for the calendar year 2024. There will also be a non-binding consultative vote on the Compensation Report 2022.

Compensation tables and share ownership tables

Exhibit 35: Board compensation in 2022 and 2021 (audited)

Name	Paid in 2022				Paid in 2021					
	November Board term 2022-2023		May Board term 2021-2022		November Board term 2021-2022		May Board term 2020-2021			
	Settled in cash ⁽¹⁾	Settled in shares – number of shares received ⁽²⁾	Settled in cash ⁽¹⁾	Settled in shares – number of shares received ⁽²⁾	Settled in cash ⁽¹⁾	Settled in shares – number of shares received ⁽²⁾	Settled in cash ⁽¹⁾	Settled in shares – number of shares received ⁽²⁾		
	CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF		
Peter Voser, Chairman ⁽⁴⁾	—	21,565	—	18,296	1,200,000	—	17,209	—	20,089	1,200,000
Jacob Wallenberg ⁽⁵⁾	112,500	3,257	112,500	2,763	450,000	112,500	2,599	112,500	3,033	450,000
Matti Alahuhta ⁽⁶⁾	—	—	—	—	—	—	—	—	3,615	160,000
Gunnar Brock ⁽⁷⁾	82,500	2,388	82,500	2,026	330,000	82,500	1,906	—	4,542	330,000
David Constable ⁽⁸⁾	80,000	2,316	80,000	1,964	320,000	80,000	1,848	87,500	2,359	335,000
Frederico Curado ⁽⁹⁾	—	4,799	—	4,075	350,000	—	3,829	—	4,090	335,000
Lars Förberg ⁽¹⁰⁾	—	5,736	—	4,870	320,000	—	4,577	—	5,347	320,000
Jennifer Xin-Zhe Li ⁽¹¹⁾	87,500	2,338	87,500	1,986	350,000	87,500	1,866	80,000	1,993	335,000
Geraldine Matchett ⁽¹²⁾	82,500	3,121	82,500	2,647	330,000	82,500	2,490	82,500	2,906	330,000
David Meline ⁽¹³⁾	100,000	2,895	100,000	2,456	400,000	100,000	2,310	100,000	2,696	400,000
Satish Pai ⁽¹⁴⁾	—	4,523	82,500	1,872	330,000	82,500	1,759	82,500	2,055	330,000
Total	545,000	52,938	627,500	42,955	4,380,000	627,500	40,393	545,000	52,725	4,525,000

(1) Represents gross amounts paid, prior to deductions for social security, withholding tax etc.

(2) Number of shares per Board member is calculated based on net amount due after deductions for social security, withholding tax etc.

(3) In addition to the Board remuneration stated in the above table, in 2022 and 2021 the Company paid CHF 248,489 and CHF 231,287, respectively, in related mandatory social security payments.

(4) Chairman of the ABB Ltd Board for the 2020-2021, 2021-2022 and 2022-2023 board terms and Chairman of the Governance and Nomination Committee for the 2021-2022 and 2022-2023 board terms; is receiving 100 percent of his compensation in the form of ABB shares.

(5) Vice-Chairman of the ABB Ltd Board for the 2020-2021, 2021-2022 and 2022-2023 board terms; Chairman of the Governance and Nomination Committee for the 2020-2021 board term and member of that committee for the 2021-2022 and 2022-2023 board terms; is receiving 50 percent of his compensation in the form of ABB shares.

(6) Member of the Governance and Nomination Committee for the 2020-2021 board term; received 100 percent of his compensation in the form of ABB shares for the 2020-2021 board term. Did not stand for election in 2021.

(7) Member of the Finance, Audit and Compliance Committee for the 2020-2021, 2021-2022 and 2022-2023 board terms; received 100 percent of his compensation in the form of ABB shares for the 2020-2021 board term and is receiving 50 percent of his compensation in the form of ABB shares for the 2021-2022 and 2022-2023 board terms.

(8) Chairman of the Compensation Committee for the 2020-2021 board term and member of that committee for the 2021-2022 and 2022-2023 board terms; is receiving 50 percent of his compensation in the form of ABB shares.

(9) Member of the Compensation Committee for the 2020-2021 board term and Chairman of that committee for the 2021-2022 and 2022-2023 board terms; is receiving 100 percent of his compensation in the form of ABB shares.

(10) Member of the Governance and Nomination Committee for the 2020-2021, 2021-2022 and 2022-2023 board terms; is receiving 100 percent of his compensation in the form of ABB shares.

(11) Member of the Compensation Committee for the 2020-2021, 2021-2022 and 2022-2023 board terms and member of the Governance and Nomination Committee for the 2021-2022 and 2022-2023 board terms; is receiving 50 percent of her compensation in the form of ABB shares.

(12) Member of the Finance, Audit and Compliance Committee for the 2020-2021, 2021-2022 and 2022-2023 board terms; is receiving 50 percent of her compensation in the form of ABB shares.

(13) Chairman of the Finance, Audit and Compliance Committee for the 2020-2021, 2021-2022 and 2022-2023 board terms; is receiving 50 percent of his compensation in the form of ABB shares.

(14) Member of the Finance, Audit and Compliance Committee for the 2020-2021, 2021-2022 and 2022-2023 board terms; received 50 percent of his compensation in the form of ABB shares for the 2020-2021 and 2021-2022 board terms and is receiving 100 percent of his compensation in the form of ABB shares for the 2022-2023 board term.

Exhibit 36: Board compensation for the Board terms 2022-2023 and 2021-2022 (audited)

Name	Specific Board roles	Board term	Board term
		2022-2023	2021-2022
		CHF	CHF
Peter Voser	Chairman of the Board and Chairman GNC for 2021-2022 and 2022-2023 terms	1,200,000	1,200,000
Jacob Wallenberg	Vice-Chairman of the Board and Member GNC for 2021-2022 and 2022-2023 terms	450,000	450,000
Gunnar Brock	Member FACC for 2021-2022 and 2022-2023 terms	330,000	330,000
David Constable	Member CC for 2021-2022 and 2022-2023 terms	320,000	320,000
Frederico Curado	Chairman CC for 2021-2022 and 2022-2023 terms	350,000	350,000
Lars Förberg	Member GNC for 2021-2022 and 2022-2023 terms	320,000	320,000
Jennifer Xin-Zhe Li	Member CC and Member GNC for 2021-2022 and 2022-2023 terms	350,000	350,000
Geraldine Matchett	Member FACC for 2021-2022 and 2022-2023 terms	330,000	330,000
David Meline	Chairman FACC for 2021-2022 and 2022-2023 terms	400,000	400,000
Satish Pai	Member FACC for 2021-2022 and 2022-2023 terms	330,000	330,000
Total		4,380,000	4,380,000

Key:

CC: Compensation Committee

FACC: Finance, Audit and Compliance Committee

GNC: Governance and Nomination Committee

Exhibit 37: Board ownership of ABB shares (audited as part of the financial statement stand-alone audit)

Name	Total number of shares held	
	December 31, 2022	December 31, 2021
Peter Voser ⁽¹⁾	231,807	191,946
Jacob Wallenberg	245,898	239,878
Gunnar Brock	37,813	33,399
David Constable	42,465	38,185
Frederico Curado	49,175	40,301
Lars Förberg	70,522	59,916
Jennifer Xin-Zhe Li	41,904	37,580
Geraldine Matchett	30,964	25,196
David Meline ⁽²⁾	43,131	37,780
Satish Pai	34,827	28,432
Total	828,506	732,613

(1) Includes 2,000 shares held by the spouse.

(2) Includes 3,150 shares held by the spouse.

Exhibit 38: EC compensation in 2022 (audited)

Name	Cash Compensation					Estimated value of share-based grants under the LTIP in 2022 ⁽⁴⁾	2022 Total compensation (incl. conditional share-based grants) ⁽⁵⁾
	Base salary	Short-term incentive ⁽¹⁾	Pension benefits	Other benefits ⁽²⁾	2022 Total cash-based compensation ⁽³⁾		
	CHF	CHF	CHF	CHF	CHF		
Björn Rosengren	1,770,840	2,142,000	762,478	988,084	5,663,402	2,411,254	8,074,656
Timo Ihamuotila	986,672	1,188,000	527,648	720,953	3,423,273	891,570	4,314,843
Carolina Granat	720,843	870,000	427,903	352,848	2,371,594	652,920	3,024,514
Andrea Antonelli (EC member as of March 1, 2022)	583,334	670,833	198,164	245,754	1,698,085	945,595	2,643,680
Karin Lepasoon (EC member as of October 1, 2022)	150,000	165,000	62,360	38,987	416,347	540,336	956,683
Sami Atiya	800,009	539,200	487,247	599,994	2,426,450	747,485	3,173,935
Tarak Mehta	930,009	1,337,340	513,481	604,563	3,385,393	837,546	4,222,939
Peter Terwiesch	825,001	1,245,000	485,152	536,952	3,092,105	747,485	3,839,590
Morten Wierod	875,006	1,067,400	471,432	523,912	2,937,750	810,519	3,748,269
Total Executive Committee members at December 31, 2022	7,641,714	9,224,773	3,935,865	4,612,047	25,414,399	8,584,710	33,999,109
Maria Varsellona (EC member until March 31, 2022)	200,002	181,985	114,896	79,223	576,106	—	576,106
Theodor Swedjemark (EC member until October 31, 2022)	500,004	473,124	283,520	203,210	1,459,858	—	1,459,858
Total departing Executive Committee members	700,006	655,109	398,416	282,433	2,035,964	—	2,035,964
Total	8,341,720	9,879,882	4,334,281	4,894,480	27,450,363	8,584,710	36,035,073

(1) Represents accrued short-term variable compensation for the year 2022, which will be paid in 2023, after the publication of ABB's financial results. Short-term variable compensation is linked to the targets and goals defined in each EC member's Annual Incentive Plan. Upon full achievement of these targets and goals, the short-term variable compensation of the EC members represents 100 percent of their respective base salary. Maria Varsellona received a short-term variable compensation payment in March 2022 related to her termination period, in accordance with the contractual obligations of ABB.

(2) Other benefits mainly comprise payments related to social security, health insurance, children's education, transportation, tax advice and compensation for foregone dividends on replacement share grants and certain other items.

(3) Prepared on an accrual basis.

(4) The estimated value of the share-based LTIP grants is based on the price of ABB shares on the grant date. On the day of vesting (April 25, 2025), the value of the share-based awards granted under the LTIP may vary from the above amounts due to changes in ABB's share price and the outcome of the performance factors.

(5) Payments totaling CHF 1,324,301 were made in 2022 on behalf of certain other former EC members, representing social security premium payments due on the 2019 LTIP vesting and tax advisory services for the period when they have been active EC members.

Exhibit 39: EC compensation in 2021 (audited)

Name	Cash Compensation					Estimated value of share-based grants under the LTIP in 2021 ⁽⁴⁾	Estimated value of replacement share-based grant in 2021	2021 Total compensation (incl. conditional share-based grants) ⁽⁵⁾
	Base salary	Short-term incentive ⁽¹⁾	Pension benefits	Other benefits ⁽²⁾	2021 Total cash-based compensation ⁽³⁾			
	CHF	CHF	CHF	CHF	CHF			
Björn Rosengren	1,700,012	2,465,000	744,770	807,000	5,716,782	2,530,828	—	8,247,610
Timo Ihamuotila	966,675	1,358,000	518,063	570,546	3,413,284	962,708	—	4,375,992
Carolina Granat (EC member as of January 1, 2021)	700,000	980,000	417,382	399,334	2,496,716	694,744	—	3,191,460
Maria Varsellona	800,009	1,160,000	455,000	511,824	2,926,833	793,997	—	3,720,830
Theodor Swedjemark	500,004	725,000	274,535	263,567	1,763,106	397,012	—	2,160,118
Sami Atiya	800,009	1,160,000	482,662	481,598	2,924,269	793,997	—	3,718,266
Tarak Mehta	925,008	1,348,500	507,646	476,481	3,257,635	923,018	—	4,180,653
Peter Terwiesch	800,009	1,160,000	473,441	422,542	2,855,992	793,997	—	3,649,989
Morten Wierod	791,676	1,126,400	443,506	362,112	2,723,694	793,997	—	3,517,691
Total current Executive Committee members at December 31, 2021	7,983,402	11,482,900	4,317,005	4,295,004	28,078,311	8,684,298	—	36,762,609
Sylvia Hill (EC member until December 31, 2020)	730,004	661,380	478,254	524,799	2,394,437	—	—	2,394,437
Total departing Executive Committee members⁽⁶⁾	730,004	661,380	478,254	524,799	2,394,437	—	—	2,394,437
Total	8,713,406	12,144,280	4,795,259	4,819,803	30,472,748	8,684,298	—	39,157,046

(1) Represents accrued short-term variable compensation for the year 2021, which was paid in 2022, after the publication of ABB's financial results. Short-term variable compensation is linked to the targets and goals defined in each EC member's Annual Incentive Plan. Upon full achievement of these targets and goals, the short-term variable compensation of the EC members represents 100 percent of their respective base salary. Sylvia Hill received a short-term variable compensation payment in December 2021 related to her termination period, in accordance with the contractual obligations of ABB.

(2) Other benefits mainly comprise payments related to social security, health insurance, children's education, transportation, tax advice and compensation for foregone dividends on replacement share grants and certain other items.

(3) Prepared on an accrual basis.

(4) The estimated value of the share-based LTIP grants was based on the price of ABB shares on the grant date, adjusted for expected foregone dividends during the vesting period. On the day of vesting (April 26, 2024), the value of the share-based awards granted under the LTIP may vary from the above amounts due to changes in ABB's share price and the outcome of the performance factors.

(5) Payments totaling CHF 296,004 were made in 2021 on behalf of certain other former EC members, representing social security premium payments due on the 2018 LTIP vesting and tax advisory services for the period when they have been active EC members.

(6) Ulrich Spiesshofer received non-compete payments for the period January 1, 2021, to April 30, 2021, and a vesting of the 2018 LTIP, with related social security payments, totaling to CHF 1,726,896.

Exhibit 40: LTIP grants in 2022 (audited)

Name	Reference number of shares under the EPS performance factor of the 2022 launch of the LTIP ⁽¹⁾⁽⁴⁾		Total estimated value of share-based grants under the EPS performance factor of the 2022 launch of the LTIP ⁽¹⁾⁽³⁾		Reference number of shares under the TSR performance factor of the 2022 launch of the LTIP ⁽¹⁾⁽⁴⁾		Total estimated value of share-based grants under the TSR performance factor of the 2022 launch of the LTIP ⁽¹⁾⁽³⁾		Reference number of shares under the sustainability performance factor of the 2022 launch of the LTIP ⁽¹⁾⁽⁴⁾		Total estimated value of share-based grants under the sustainability performance factor of the 2022 launch of the LTIP ⁽¹⁾⁽³⁾		Total number of shares granted under the 2022 launch of the LTIP ⁽¹⁾⁽²⁾⁽⁴⁾		Total estimated value of share-based grants under the LTIP in 2022 ⁽¹⁾⁽³⁾	
			CHF		CHF			CHF		CHF						
Björn Rosengren ⁽⁵⁾	42,743	1,205,627	25,646	723,353	17,098	482,274	85,487	2,411,254								
Timo Ihamuotila	15,804	445,770	9,482	267,462	6,323	178,338	31,609	891,570								
Carolina Granat	11,574	326,460	6,944	195,858	4,630	130,602	23,148	652,920								
Andrea Antonelli (EC member as of March 1, 2022)	16,762	472,797	10,057	283,667	6,706	189,131	33,525	945,595								
Karin Lepasoon (EC member as of October 1, 2022) ⁽⁵⁾	9,578	270,153	5,747	162,075	3,832	108,108	19,157	540,336								
Sami Atiya	13,250	373,728	7,950	224,231	5,301	149,526	26,501	747,485								
Tarak Mehta ⁽⁵⁾	14,847	418,773	8,908	251,258	5,939	167,515	29,694	837,546								
Peter Terwiesch ⁽⁵⁾	13,250	373,728	7,950	224,231	5,301	149,526	26,501	747,485								
Morten Wierod ⁽⁵⁾	14,368	405,259	8,620	243,156	5,748	162,104	28,736	810,519								
Total Executive Committee members at December 31, 2022	152,176	4,292,295	91,304	2,575,291	60,878	1,717,124	304,358	8,584,710								

(1) Vesting date April 25, 2025.

(2) The reference number of shares of the EPS, TSR and sustainability performance factors are valued using the fair value of the ABB shares on the grant date.

(3) Default settlement of the final LTIP award is 100 percent in shares, with an automatic sell-to-cover in place for employees who are subject to withholding taxes. The plan foresees a maximum award of 200 percent of the number of reference shares granted based on the achievement against the predefined average EPS, relative TSR and sustainability performance targets. Participants are also entitled to receive a dividend equivalent payment at the time of vesting for each awarded share.

(4) The initial granted number of shares has been increased by 3.7 percent to reflect the impact of the Accelleron spin-off.

(5) In addition to the above awards, five members of the EC participated in the 19th launch of the ESAP in 2022, which will allow them to save over a 12-month period and, in November 2023, use their savings to acquire ABB shares under the ESAP. Each EC member who participated in ESAP will, upon vesting, be entitled to acquire up to 360 ABB shares at an exercise price of CHF 27.99 per share.

Exhibit 41: LTIP grants in 2021 (audited)

Name	Reference number of shares under the EPS performance factor of the 2021 launch of the LTIP ⁽¹⁾	Total estimated value of share-based grants under the EPS performance factor of the 2021 launch of the LTIP ⁽²⁾⁽³⁾	Reference number of shares under the TSR performance factor of the 2021 launch of the LTIP ⁽¹⁾	Total estimated value of share-based grants under the TSR performance factor of the 2021 launch of the LTIP ⁽²⁾⁽³⁾	Total number of shares granted under the 2021 launch of the LTIP ⁽¹⁾⁽²⁾	Total estimated value of share-based grants under the LTIP in 2021 ⁽²⁾⁽³⁾
		CHF		CHF		CHF
Björn Rosengren	47,950	1,265,401	47,951	1,265,427	95,901	2,530,828
Timo Ihamuotila ⁽⁴⁾	18,240	481,354	18,240	481,354	36,480	962,708
Carolina Granat (EC member as of January 1, 2021)	13,163	347,372	13,163	347,372	26,326	694,744
Maria Varsellona	15,043	396,985	15,044	397,012	30,087	793,997
Theodor Swedjemark ⁽⁴⁾	7,522	198,506	7,522	198,506	15,044	397,012
Sami Atiya	15,043	396,985	15,044	397,012	30,087	793,997
Tarak Mehta ⁽⁴⁾	17,488	461,509	17,488	461,509	34,976	923,018
Peter Terwiesch ⁽⁴⁾	15,043	396,985	15,044	397,012	30,087	793,997
Morten Wierod ⁽⁴⁾	15,043	396,985	15,044	397,012	30,087	793,997
Total Executive Committee members at December 31, 2021	164,535	4,342,082	164,540	4,342,216	329,075	8,684,298

(1) Vesting date April 26, 2024.

(2) The reference number of shares of the EPS and TSR performance factors are valued using the fair value of the ABB shares on the grant date adjusted for expected foregone dividends during the vesting period.

(3) Default settlement of the final LTIP award is 100 percent in shares, with an automatic sell-to-cover in place for employees who are subject to withholding taxes. The plan foresees a maximum award of 200 percent of the number of reference shares granted based on the achievement against the predefined average EPS and relative TSR targets.

(4) In addition to the above awards, five members of the EC participated in the 18th launch of the ESAP in 2021, which allowed them to save over a 12-month period and, in November 2022, use their savings to acquire ABB shares under the ESAP. Each EC member who participated in ESAP was entitled to acquire up to 330 ABB shares at an exercise price of CHF 30.32 per share.

Exhibit 42: EC shareholding overview at December 31, 2022 (audited as part of the financial statement stand-alone audit)

Name	Total number of shares held at December 31, 2022	Unvested at December 31, 2022			
		Reference number of shares deliverable under the 2020 performance factors (EPS and TSR) of the LTIP ⁽¹⁾⁽²⁾ (vesting 2023)	Reference number of shares deliverable under the 2021 performance factors (EPS and TSR) of the LTIP ⁽¹⁾⁽²⁾ (vesting 2024)	Reference number of shares deliverable under the 2022 performance factors (EPS, TSR, sustainability) of the LTIP ⁽¹⁾⁽²⁾ (vesting 2025)	Replacement share grant for foregone benefits from former employee ⁽²⁾⁽³⁾ (vesting 2023)
Björn Rosengren	94,597	136,589	99,450	85,487	19,604
Timo Ihamuotila	189,034	50,887	37,830	31,609	—
Carolina Granat ⁽⁴⁾	5,200	—	27,301	23,148	—
Andrea Antonelli (EC member as of March 1, 2022)	—	—	7,021	33,525	—
Karin Lepasoon (EC member as of October 1, 2022)	—	—	—	19,157	—
Sami Atiya	90,473	42,852	31,201	26,501	—
Tarak Mehta	152,993	48,209	36,271	29,694	—
Peter Terwiesch	132,940	42,852	31,201	26,501	—
Morten Wierod	64,777	40,174	31,201	28,736	—
Total Executive Committee members at December 31, 2022	730,014	361,563	301,476	304,358	19,604

(1) The final 2020 LTIP, 2021 LTIP and 2022 LTIP awards will be settled 100 percent in shares, with an automatic sell-to-cover in place for employees who are subject to withholding taxes.

(2) Initial number of shares granted have been increased by 3.7 percent to reflect the impact of the spin-off of the Accelleron business.

(3) It is expected that the replacement share grants will be settled 65 percent in shares and 35 percent in cash. However, the participant has the possibility to elect to receive 100 percent of the vested award in shares.

(4) This includes 1,200 shares held by the spouse.

Exhibit 43: EC shareholding overview at December 31, 2021 (audited as part of the financial statement stand-alone audit)

Name	Total number of shares held at December 31, 2021	Unvested at December 31, 2021						
	Vested at December 31, 2021	Number of vested options held under the MIP	Number of unvested options held under the MIP	Reference number of shares deliverable under the 2019 performance factors (EPS and TSR) of the LTIP ⁽¹⁾	Reference number of shares deliverable under the 2020 performance factors (EPS and TSR) of the LTIP ⁽¹⁾	Reference number of shares deliverable under the 2021 performance factors (EPS and TSR) of the LTIP ⁽¹⁾	Replacement share grant for foregone benefits from former employee ⁽²⁾	Replacement share grant for foregone benefits from former employee ⁽²⁾
			(vesting 2022)	(vesting 2022)	(vesting 2023)	(vesting 2024)	(vesting 2022)	(vesting 2023)
Björn Rosengren	10,000	—	—	—	131,715	95,901	130,150	18,904
Timo Ihamuotila	150,440	—	—	49,071	49,071	36,480	—	—
Carolina Granat (EC member as of January 1, 2021) ⁽³⁾	1,200	—	—	—	—	26,326	—	—
Maria Varsellona ⁽⁴⁾	26,006	—	—	—	—	—	—	—
Theodor Swedjemark ⁽³⁾⁽⁵⁾	1,360	—	148,750	—	6,209	15,044	—	—
Sami Atiya	51,472	—	—	49,587	41,323	30,087	—	—
Tarak Mehta	118,056	—	—	44,422	46,488	34,976	—	—
Peter Terwiesch	100,440	—	—	41,323	41,323	30,087	—	—
Morten Wierod ⁽⁶⁾	21,025	—	—	36,158	38,740	30,087	—	—
Total Executive Committee members at December 31, 2021	479,999	—	148,750	220,561	354,869	298,988	130,150	18,904

(1) The final 2019 LTIP award will be settled 65 percent in shares and 35 percent in cash. This applies to both performance factors (EPS and TSR). However, the participants have the possibility to elect to receive 100 percent of the vested award in shares. The final 2020 LTIP and 2021 LTIP awards will be settled 100 percent in shares, with an automatic sell-to-cover in place for employees who are subject to withholding taxes.

(2) It is expected that the replacement share grant will be settled 65 percent in shares and 35 percent in cash. However, the participant has the possibility to elect to receive 100 percent of the vested award in shares.

(3) This includes shares held by the spouse.

(4) Unvested share grants were forfeited as a result of the resignation provided and removed from the shareholding overview.

(5) In addition, his spouse holds unvested shares and options granted in connection with her role in the Company.

(6) The disclosed total number of shares held at December 31, 2021, was adjusted to reflect the correct year-end 2021 balance.

Exhibit 44: Targeted and realized EC total compensation in 2022

Target compensation (in CHF)	Base salary	Pension benefits	Other benefits ⁽¹⁾	Target short-term incentive ⁽²⁾	Grant fair value of 2019 LTIP ⁽³⁾	Grant fair value of 2020 replacement share grant ⁽⁴⁾	Target total variable compensation	Target total compensation
Björn Rosengren	1,770,840	762,478	963,201	1,785,000	n.a.	2,902,345	1,785,000	8,183,864
Timo Ihamuotila	986,672	527,648	707,152	990,000	836,661	n.a.	1,826,661	4,048,133
Carolina Granat	720,843	427,903	342,742	725,000	n.a.	n.a.	725,000	2,216,488
Andrea Antonelli (EC member as of March 1, 2022)	583,334	198,164	239,655	583,334	n.a.	n.a.	583,334	1,604,487
Karin Lepasoon (EC member as of October 1, 2022)	150,000	62,360	37,942	150,000	n.a.	n.a.	150,000	400,302
Sami Atiya	800,009	487,247	618,172	800,000	845,459	n.a.	1,645,459	3,550,887
Tarak Mehta	930,009	513,481	576,171	930,000	757,396	n.a.	1,687,396	3,707,057
Peter Terwiesch	825,001	485,152	508,027	830,000	704,559	n.a.	1,534,559	3,352,739
Morten Wierod	875,006	471,432	512,244	900,000	616,494	n.a.	1,516,494	3,375,176
Total	7,641,714	3,935,865	4,505,306	7,693,334	3,760,569	2,902,345	11,453,903	30,439,133

Realized compensation (in CHF)	Base salary	Pension benefits	Other benefits ⁽¹⁾⁽⁵⁾	Short-term incentive 2022 ⁽⁶⁾	Realized value of 2019 LTIP ⁽⁷⁾	Realized value of 2020 replacement share grant ⁽⁸⁾	Total variable compensation	Total compensation
Björn Rosengren	1,770,840	762,478	988,084	2,142,000	n.a.	4,183,021	2,142,000	9,846,423
Timo Ihamuotila	986,672	527,648	720,953	1,188,000	1,680,963	n.a.	2,868,963	5,104,236
Carolina Granat	720,843	427,903	352,848	870,000	n.a.	n.a.	870,000	2,371,594
Andrea Antonelli (EC member as of March 1, 2022)	583,334	198,164	245,754	670,833	n.a.	n.a.	670,833	1,698,085
Karin Lepasoon (EC member as of October 1, 2022)	150,000	62,360	38,987	165,000	n.a.	n.a.	165,000	416,347
Sami Atiya	800,009	487,247	599,994	539,200	1,698,657	n.a.	2,237,857	4,125,107
Tarak Mehta	930,009	513,481	604,563	1,337,340	1,521,691	n.a.	2,859,031	4,907,084
Peter Terwiesch	825,001	485,152	536,952	1,245,000	1,415,557	n.a.	2,660,557	4,507,662
Morten Wierod	875,006	471,432	523,912	1,067,400	1,238,619	n.a.	2,306,019	4,176,369
Total	7,641,714	3,935,865	4,612,047	9,224,773	7,555,487	4,183,021	16,780,260	37,152,907

Realized achievement level	Base salary	Pension benefits	Other benefits ⁽¹⁾	Short-term incentive ⁽⁶⁾	Realized value of 2019 LTIP in % ⁽⁷⁾	Realized value of 2020 replacement share grant in % ⁽⁸⁾	Total variable compensation	Total compensation
Björn Rosengren	100.0%	100.0%	102.6%	120.0%	n.a.	144.1%	120.0%	120.3%
Timo Ihamuotila	100.0%	100.0%	102.0%	120.0%	200.9%	n.a.	157.1%	126.1%
Carolina Granat	100.0%	100.0%	102.9%	120.0%	n.a.	n.a.	120.0%	107.0%
Andrea Antonelli (EC member as of March 1, 2022)	100.0%	100.0%	102.5%	115.0%	n.a.	n.a.	115.0%	105.8%
Karin Lepasoon (EC member as of October 1, 2022)	100.0%	100.0%	102.8%	110.0%	n.a.	n.a.	110.0%	104.0%
Sami Atiya	100.0%	100.0%	97.1%	67.4%	200.9%	n.a.	136.0%	116.2%
Tarak Mehta	100.0%	100.0%	104.9%	143.8%	200.9%	n.a.	169.4%	132.4%
Peter Terwiesch	100.0%	100.0%	105.7%	150.0%	200.9%	n.a.	173.4%	134.4%
Morten Wierod	100.0%	100.0%	102.3%	118.6%	200.9%	n.a.	152.1%	123.7%
Average	100.0%	100.0%	102.5%	118.3%	200.9%	144.1%	139.2%	118.9%

(1) Other benefits comprise payments related to social security, health insurance, children's education, transportation, tax advice and certain other items.

(2) Target short-term incentive corresponds to 100 percent of the latest applicable annual base salary.

(3) Represents the 2019 LTIP grant date fair value as per May 16, 2019, as disclosed in our 2019 Annual Report.

(4) Represents the 2020 grant fair value related to the first tranche (out of two tranches) of the replacement share grant, as disclosed in our 2020 Annual Report.

(5) Differences between realized and target values due to higher social security payments related to AIP awards above target values.

(6) Represents accrued STI for the year 2022, which will be paid in 2023, after the publication of ABB's financial results. STI is linked to the targets and goals defined in each EC member's Annual Incentive Plan.

(7) Valued at CHF 28.31, the closing price of the ABB share on the day of vesting.

(8) Valued at CHF 32.14, the closing price of the ABB share on the day of vesting.



Statutory Auditor's Report

To the General Meeting of ABB Ltd, Zurich

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation Report of ABB Ltd (the Company) for the year ended December 31, 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables marked "audited" on pages 31 to 38 of the Compensation Report.

In our opinion, the information on remuneration, loans and advances in the attached Compensation Report complies with Swiss law and Art. 14-16 VegüV.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the ABB Annual Reporting Suite

The Board of Directors is responsible for the other information. The other information comprises the information included in the ABB Annual Reporting Suite (consisting of the Integrated Report, the Financial Report, the Corporate Governance Report and the Compensation Report), but does not include the consolidated financial statements, the stand-alone financial statements and the compensation report of the Company and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

A handwritten signature in black ink, appearing to read 'Hans-Dieter Krauss'.

Hans-Dieter Krauss
Licensed Audit Expert
Auditor in Charge

A handwritten signature in black ink, appearing to read 'Mohammad Nafeie'.

Mohammad Nafeie

Zurich, Switzerland
February 23, 2023

Caution concerning forward-looking statements

The Compensation Report 2022 includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We have based these forward-looking statements largely on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions as well as the economic conditions of the regions and the industries that are major markets for ABB. The words “believe,” “may,” “will,” “estimate,” “continue,” “target,” “anticipate,” “intend,” “expect,” “plan” and similar words and the express or implied discussion of strategy, plans or intentions are intended to identify forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, including among other things, the following: (i) business risks related to the global volatile economic environment; (ii) costs associated with compliance activities; (iii) difficulties encountered in operating in emerging markets; (iv) risks inherent in large, long term projects served by parts of our business; (v) the timely development of new products, technologies, and services that are useful for our customers; (vi) our ability to anticipate and react to technological change and evolving industry standards in the markets in which we operate; (vii) changes in interest rates and fluctuations in currency exchange rates; (viii) changes in raw materials prices or limitations of supplies of raw materials; (ix) the weakening or unavailability of our intellectual property rights; (x) industry consolidation resulting in more powerful competitors and fewer customers; (xi) effects of competition and changes in economic and market conditions in the product markets and geographic areas in which we operate; (xii) effects of, and changes in, laws, regulations, governmental policies, taxation, or accounting standards and practices and (xiii) other factors described in documents that we may furnish from time to time with the US Securities and Exchange Commission, including our Annual Reports on Form 20-F. Although we believe that the expectations reflected in any such forward-looking statements are based on reasonable assumptions, we can give no assurance that they will be achieved. We undertake no obligation to update publicly or revise any forward-looking statements because of new information, future events or otherwise. In light of these risks and uncertainties, the forward-looking information, events and circumstances might not occur. Our actual results and performance could differ substantially from those anticipated in our forward-looking statements.



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