

Hitachi Rail Limited

Gender Pay Gap Report

2019



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About Hitachi Rail Limited

Hitachi Rail Limited is the UK arm of the global transport specialist Hitachi Rail, with over 100 years of experience building pioneering trains, offering quality maintenance and developing innovative new technology. As a leader in rail, Hitachi is improving transport for passengers, connecting communities and helping to boost the UK's economy.

Having delivered the hugely popular Javelin HS1 fleet in advance of the 2012 London Games, Hitachi is currently delivering major orders for new trains. By the end of 2022, there will be 342 Hitachi trains operating across the UK, for franchises that include Great Western Railway, TransPennine Express, Hull Trains, East Coast Trains (open access), East Midlands Railway, ScotRail and LNER. Our trains are built at our purpose-built factory in County Durham, which, along with a network of depots across England, Scotland and Wales, was established as part of the UK Government's £5.7bn Intercity Express Programme.

With a proud reputation for innovation, Hitachi is at the forefront of using new digital technology to enhance passenger experience and enrich Britain's railway heritage.

The UK is one of 38 countries where Hitachi Rail has a presence, and is home to one of 11 manufacturing sites across three continents. Today, the UK business has over 2,500 employees across 16 locations, while globally Hitachi Rail has over 12,000 employees.



What is the Gender Pay Gap?

In 2017 the UK Government introduced The Equality Act 2010 (Gender Pay Gap Information) Regulations. As part of this legislation, companies with 250 or more employees are required to publish a report that outlines the pay of their workforce according to their demographic.

A gender pay gap is the difference between the average pay of a male employee and that of a female, averaged across the whole organisation.

A gender pay gap does not necessarily indicate that an organisation is paying employees unfairly, as roles compared are not always like for like. Therefore, the gender pay gap calculation cannot be used to determine whether organisations do not pay men and women equally for the same type of work.

Gender pay gap reporting is designed to reflect the underlying workforce demographics within an organisation. Six calculations are required to be reported; three based on pay and three based on bonus, calculated using the snapshot date of 5 April 2019.

A Message from our UK Lead

This year's gender pay gap report demonstrates that Hitachi Rail in the UK is providing fair and equal pay for our people, and that makes me incredibly proud.

I am keen to see more women in our teams and as a business we continue to focus on developing our female colleagues through mentoring circles and our Women in Hitachi programme. Both men and women are involved in learning events, webinars and online discussions to exchange experiences and ideas in an open forum – it's a great initiative. We have also rolled out unconscious bias training over the last year to all employees to encourage diversity awareness as well as continuing to review HR policies to ensure they are best practice.

I have worked in the rail industry for nearly 20 years and historically there has been a male prevalence. However, I see this changing every day and it is vitally important that we continue activity to focus on improving the diversity of our workforce with people who bring new ideas, outlooks and creativity.

For this to change long term, we need to showcase our industry as a great place to work for everyone and remove the perception that it is male-dominated. As part of this, we encourage the woman in our organisation to educate men as to how they would want to be treated, encouraged and motivated to be their best. Our teams work with primary and secondary schools close to our sites on projects to engage young people in STEM activities and show them the variety of exciting opportunities that a career in Hitachi Rail can offer.



These young people will be our future as we continue to look to advancements in new technology to improve journeys for passengers every day. This innovation is key for our customers as we look into new solutions for rail travel. It is an ever-changing, exciting, dynamic business to be part of and we always need new ideas.

To achieve this we will continue to focus on developing a more diverse mix of people, not only in terms of gender, across our whole business.

Jim Brewin

Jim Brewin
UK Country Lead,
Hitachi Rail Limited

Hitachi Rail Limited Statutory Disclosures



Our full-pay workforce on 5 April 2019 comprised 1829 men and 295 women. This equates to 14% of our workforce being female and 86% being male. This broadly reflects the average gender composition of our wider business sector.

We are required to report the difference in mean and median pay between male and female employees. The mean is calculated by adding up the total amount of pay and dividing it by the number of individuals in the data set. The median represents the middle amount in the data set.

Our calculations show that Hitachi Rail in the UK has a mean gender pay gap in hourly pay of 0.2% in favour of men, and a median gender pay gap in hourly pay of 7% in favour of men. This mean pay gap is very close to our target of 0% and the median pay gap is better than last year's national average of 8.9%¹.

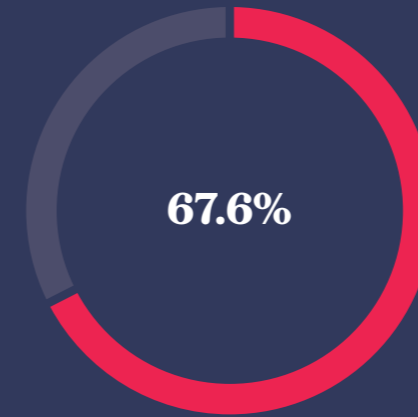
Additional analysis compared employees' pay in comparable roles. The results confirmed that pay for males and females in similar positions is equal.

Hitachi Rail's workforce overall in the UK is not evenly split between males and females with women accounting for 14% of the workforce overall. It is encouraging to see that this percentage is similar across all pay quartiles.

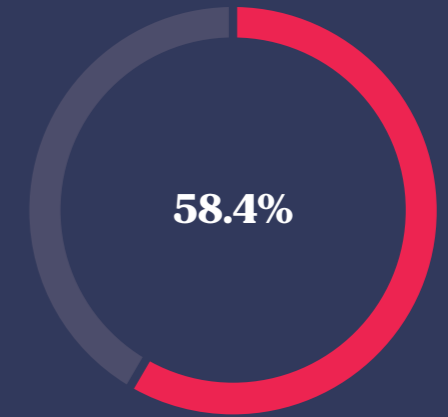
When it comes to bonus payments it is a different outlook. The number of people receiving a bonus is a fairly even split with 58.4% of males receiving a bonus and 67.6% of females.

The mean gender bonus gap is 27.5% in favour of women. This is a considerable shift since last year's analysis which was 5.9% in favour of women. The median gender annual bonus gap demonstrates a similar significant change at 107% in favour of women.

Females Receiving a Bonus



Males Receiving a Bonus



Percentage of Employees Per Pay Quartile

		Male	Female
Lower Quartile	Includes all employees whose standard hourly rate places them <u>at or below the lower quartile</u>	84.2%	15.8%
Lower Middle Quartile	Includes all employees whose standard hourly rate places them above the lower quartile but <u>at or below the median</u>	84.6%	15.4%
Upper Middle Quartile	Includes all employees whose standard hourly rate places them <u>above the median but at or below the upper quartile</u>	89.5%	10.5%
Top Quartile	Includes all employees whose standard hourly rate places them <u>above the upper quartile</u>	86.3%	13.7%

¹ From the report 'Gender Pay Gap' Number 7068, 6 March 2020, House of Commons Library.

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