



**Hitachi Rail Limited**

**Gender Pay Gap Report**

**2020**

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## About Hitachi Rail Limited

Hitachi Rail Limited is the UK operation for global transport specialist Hitachi Rail, with over 100 years of experience building pioneering trains, offering quality maintenance and developing innovative new technology around the globe.

As a leader in rail systems and solutions, Hitachi is improving transport for passengers, connecting communities and helping to boost the UK's economy.

Hitachi Rail Limited is currently delivering major orders for new trains and by the end of 2022 there will be 342 Hitachi trains transforming rail journeys from Penzance in the South of England, all the way up to the Highlands in Scotland.

We have brought train manufacturing back to the North East, with our state-of-the-art factory in County Durham, unlocking a £1.8 billion investment in the UK supply chain.

With a proud reputation for innovation, Hitachi is a leader in sustainable battery train solutions and focussed on using digital technology to enhance passenger experience through Mobility-as-a-Service.

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 3,000 employees over 13 different facilities, 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 2020.

## A Message from our UK Lead



**At Hitachi Rail we are committed to accelerating the advancements of women both inside our company and also in the wider rail industry. We understand that a diverse workforce is beneficial to both the individual and the company's sustainable growth.**

We are proud that in the UK we are continuing to drive the development of female colleagues by creating an inclusive environment where everyone can thrive and reach their full potential. To achieve this, we focus on fostering career development opportunities, mentoring and being fairly rewarded. I myself have embarked on my own journey through reverse mentoring. This for me has been an enriching experience, sharing different perspectives and putting into practise new behaviours which I hope has a positive effect on the culture of the business.

Our commitment begins with how we are engaging our potential future workforce to choose Hitachi Rail as an employer of choice. Through our partnership with Primary Engineer we are educating and inspiring younger generations to seek an interest in engineering and related

subjects, showcasing the variety of exciting opportunities that our industry has to offer.

We then continue work within our organisation with initiatives including:

- » Mentoring schemes: These can have the most positive impact on workplace diversity. Colleagues in senior roles, either men or women, offer one-to-one advice to women who want to progress in their chosen careers. They can also offer support during difficult times and help people to make difficult decisions. In my opinion, colleagues in senior roles have a responsibility to help others and I've seen the transformation that mentoring can bring.
- » Women's 'round table' meetings: Chaired by women in senior roles, these meetings give women the chance to discuss the challenges they face, and to offer each other advice and support, in a confidential environment. Hearing that others have overcome challenges empowers women to overcome them too.

- » Flexible working hours and working from home: By giving women the opportunity to balance their home life with their work commitments, for example, by working part time or changing their working hours to suit family commitments, flexible working helps to retain and attract the best talent.
- » Unconscious bias training: Every one of us is biased against certain people, based on their background, or even their name. Unconscious bias training points out those biases and challenges us to think hard about the choices we are making in recruitment, so that we can recruit differently to build more diverse teams.
- » Equal pay reporting: In the UK, public reporting on gender-based pay scales is a government requirement. We have proved that women and men have equal pay scales and this has helped to attract talent into the business.

Whilst we continue to make progress, we recognise that this is a journey for the business and one where we can always be doing better. But it is one that I continue to champion and support, both personally and professionally.

*Jim Brewin*

**Jim Brewin**  
UK Country Lead,  
Hitachi Rail Limited

# Hitachi Rail Limited Statutory Disclosures



**Our full-pay workforce on 5 April 2020 comprised of 1952 men and 296 women. This equates to 13% of our workforce being female and 87% 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 2.3% in favour of men (0.2% in 2019, a difference of 2.1%), and a median gender pay gap in hourly pay of 10.1% in favour of men (7% in 2019, a difference of 3.1%).

This shows that our mean hourly pay is almost the same for men and women, meaning the gender pay gap is negligible in this area. Although our median gender pay gap has seen a slight increase when compared to the prior year, it remains well below the figure for organisations in the same industry (circa 13%) and in the same sector (circa 14%)<sup>1</sup>.

Hitachi Rail's workforce overall in the UK is not evenly split between males and females with women accounting for 13% of the workforce overall.

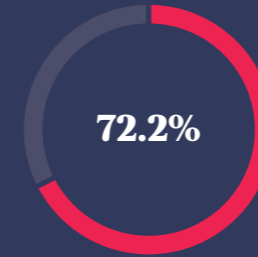
However, additional analysis compared employees' pay in comparable roles. The results confirmed that pay for males and females in similar positions is equal.

When it comes to bonus payments it is a different outlook. With 65.6% (58.4% in 2019) of males receiving a bonus and 72.2% (67.6% in 2019) of females.

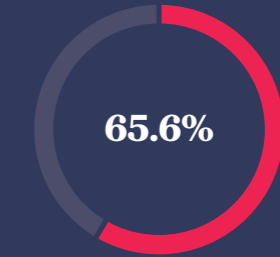
The mean gender bonus gap is 21.8% in favour of women, in comparison to last year's analysis which was 27.5% in favour of women, a difference of 5.7%. The median gender annual bonus gap demonstrates a similar significant change at 80.5% (107% in 2019) in favour of women, a difference of 26.5%.

<sup>1</sup> From the report 'The Gender Pay Gap' Number 7068, 23 November 2020, House of Commons Library

## 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>	82.2%	17.8%
Lower Middle Quartile	Includes all employees whose standard hourly rate places them above the lower quartile but <u>at or below the median</u>	86.8%	13.2%
Upper Middle Quartile	Includes all employees whose standard hourly rate places them <u>above the median but at or below the upper quartile</u>	92.2%	7.8%
Top Quartile	Includes all employees whose standard hourly rate places them <u>above the upper quartile</u>	86.1%	13.9%

Trends	2018 (%)	2019 (%)	2020 (%)	Change from 2019 & 2018	Change from 2020 & 2019
Gender pay gap mean pay rate (%)	1.4	0.2	2.3	-1.2	+2.1
Gender pay gap median pay rate (%)	4.4	7.0	10.1	+2.6	+3.1
Gender pay gap mean bonus (%)	-5.9	-27.5	-21.8	-21.6	+5.7
Gender pay gap median bonus (%)	-56.6	-107.0	-80.5	-50.4	+26.5

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