

# GENDER PAY GAP REPORT 2018



## About Hitachi Rail

**H**itachi Rail Limited is the UK business of a fully-integrated, global provider of rail solutions across rolling stock, signalling, services and turnkey. The UK is one of 27 countries where Hitachi Rail has a presence, and is home to one of 11 manufacturing sites across three continents.

Among our projects for the UK, Hitachi Rail is supplying trains for the Intercity Express Programme (IEP), the largest investment in UK rolling stock in over 30 years. Our factory at Newton Aycliffe, Co. Durham has manufactured 57 of these new trains for the Great Western Mainline, and is completing 65 trains for the East Coast Main Line.

Additionally, we have created a network of brand new and refurbished depots across the UK to maintain these fleets for 27.5 years. Further projects include an all-electric fleet of commuter trains for Abellio ScotRail, operating across Scotland's central belt, and new bi-mode fleets for GWR routes between London and the South West, Hull Trains and Transpennine Express.

We have also been commissioned to deliver a five-train fleet for First Group's new East Coast Open Access operator, which is planned to launch in 2021.

To enhance network efficiency and train capacity for routes across the south east and the London core, Hitachi Rail in the UK is also partnering with Network Rail to deliver a new traffic management system for Thameslink.

Our UK business today has approximately 2,700 employees across 15 locations, while globally Hitachi Rail has approximately 14,000 employees.



## Executive Summary

**Our latest gender pay report reflects the positive actions Hitachi Rail in the UK is taking to enhance diversity and inclusion throughout our business.**

Recognising the role diversity, in all its forms, has to play in a global organisation, in April 2018 our corporate parent published *Onward to 2030: Hitachi's Road to Sustainability*. In this, it is acknowledged that we need to "pay particular attention to career development for women, not only through strict policies on equal pay, but also by actively encouraging the promotion of female employees."

Historically, the Rail sector has been characterised by a predominance of male employees. However, over the last few years we have worked hard to increase the amount of females we attract to Hitachi Rail, as have others in our industry.

We are, therefore, proud of the true mix of people working in our UK Rail business, and of the contribution and value we are creating on behalf of Hitachi's stakeholders.

Our UK teams come from a wide variety of backgrounds and ages, and bring with them a range of different ideas and outlooks.

Diverse teams spur creativity, innovation and high performance, and women are critical to this. The Centre for Talent Innovation, for example, has found that companies that are diverse in both gender and ethnicity are almost 50% more likely to expand their market share, and 70% more likely to capture a new market than their non-diverse peers. The message is clear; diversity simply makes business sense.

New technologies and innovation are transforming rail for the benefit of passengers, and so we are making it our business to better reflect the skills required to meet these needs, as well as the diversity our customers expect of us as a supplier.

There's evidently much more to do. However, our industry has fantastic career opportunities ahead. To attract the variety of talents rail requires to be sustainable for the future, these roles need to be irrespective of background.

Having calculated our gender pay report using the reporting regulations, I am pleased to report Hitachi Rail in the UK is providing fair and equal pay for our people. We will continue to strive for our goals for a more diverse workforce, and to ensure that our business and all our stakeholders share in the many benefits this will undoubtedly deliver.



**Karen Boswell OBE**  
**Managing Director**  
**(Hitachi Rail Limited) and Chief**  
**Administration Officer (Hitachi Rail)**

**“There is nothing better than a diverse team..”**



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## What is the Gender Pay Gap?

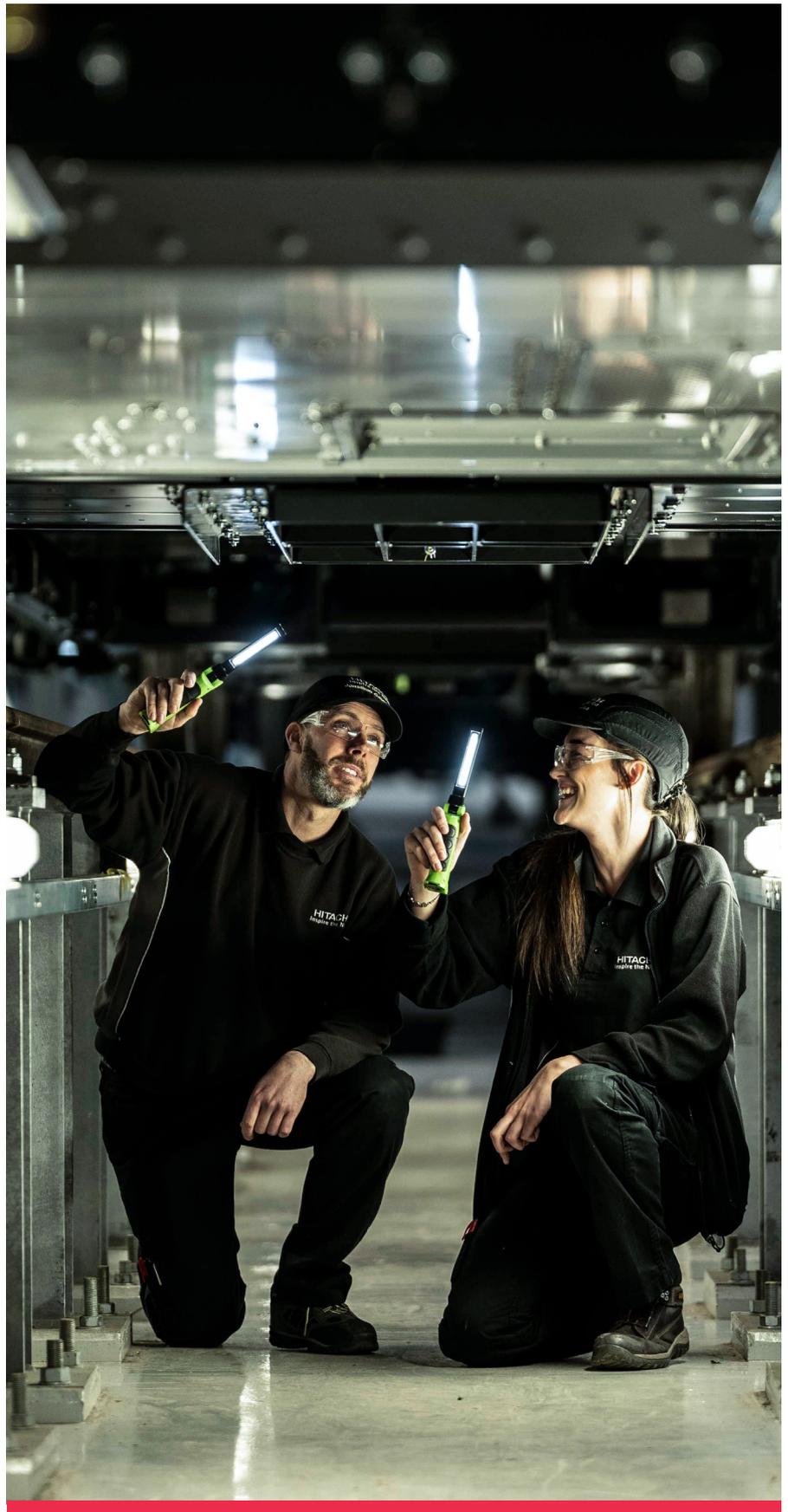
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**T**he UK Government introduced The Equality Act 2010 (Gender Pay Gap Information) Regulations in April 2017 for companies with 250 or more employees.

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 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 2018.



## Hitachi Rail Limited Statutory Disclosures

**O**ur workforce on 5 April 2018 comprised 1823 men and 281 women. This equates to 13% of our workforce being female and 87% being male. This broadly reflects the average gender composition for our wider business sector.

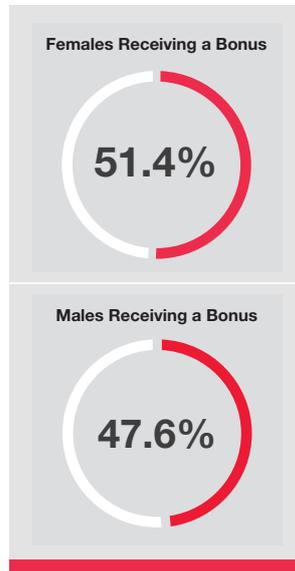
We are required to report the difference in mean and median pay between male and female employees. The mean is calculated by adding up the total amount of pay and dividing it by the number of individuals in the data set. The median represents the middle amount in the data set.

Our calculations show that Hitachi Rail in the UK has a mean gender pay gap in hourly pay of 1.4% in favour of men, and a median gender pay gap in hourly pay of 4.4%. This mean pay gap is very close to our target of 0% and the median pay gap significantly better than last year's national average of 17.9%<sup>1</sup>.

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

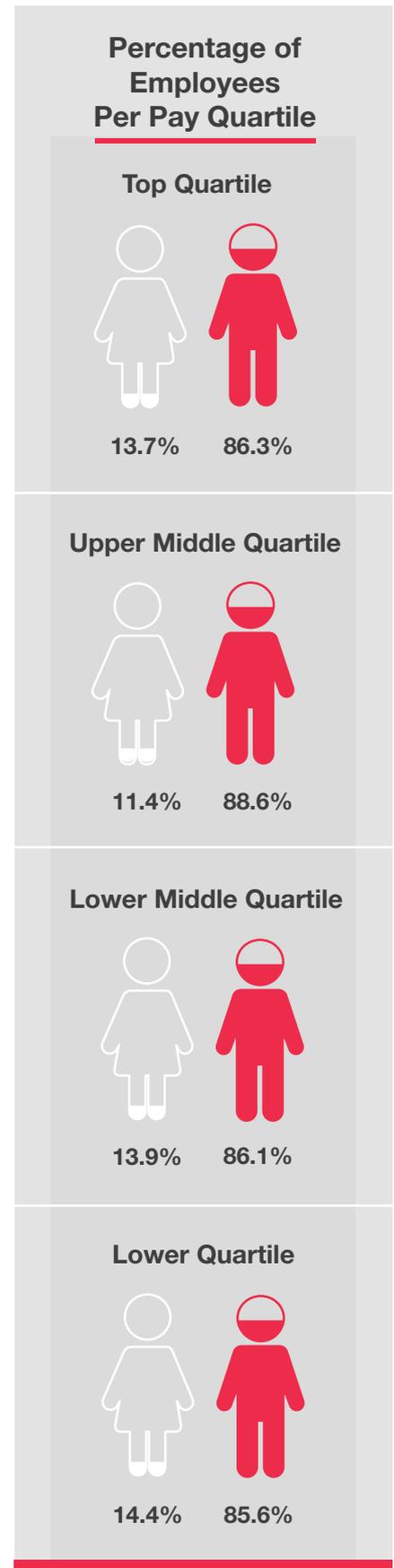
Hitachi Rail's workforce overall in the UK is not evenly split between males and females with women accounting for 13% of the workforce overall. It is encouraging to see that this percentage is similar across all pay quartiles.

When it comes to bonus payments it is a different outlook. The number of people receiving a bonus is a fairly even split with 47.6% of males receiving a bonus and 51.4% of females.



The mean gender bonus gap is 5.9% in favour of women. This is a considerable shift since last year's analysis which was 25% in favour of men. The median gender annual bonus gap demonstrates a similar significant change at 56.6% in favour of women.

In November 2018, we transferred into our business over 530 employees from a legacy depot operation, whose workforce mix is predominantly male. We therefore expect our representative data for our 2019 submission to change considerably. We are also in the process of integrating other businesses across our organisation, which may further influence the UK mix. However, we remain committed to implementing appropriate measures for the long term to address any imbalances over the short to medium term.



<sup>1</sup> From the report 'Gender Pay Gap' Number 7068, 8 November 2018, House of Commons Library.

## Our commitments to building a truly inclusive company

**H**itachi Rail in the UK continues to strive for a more inclusive and diverse workforce.

We aspire to create an inclusive environment which embeds a culture of belonging, and offers workplace conditions that attract and appeal to people from multiple identities and backgrounds. By building an environment that draws on broad ranging experiences and ideas, we aim to truly celebrate difference and nurture individual brilliance.

Since last year's report, to improve awareness, managers across our UK business have taken part in unconscious bias training workshops that focus on building an inclusive workplace.

A variety of initiatives have also been introduced to support all employees to thrive and grow at Hitachi Rail. We have expanded our mentoring programmes to help enhance our employees' development and share their experiences with colleagues.

Our women's forums and diversity-led roundtables have been extended from the UK to our global rail business in Japan, Italy and the U.S. These forums are open to all colleagues in our business, in recognition that everyone has a key to role to play in overturning gender and other diversity imbalances.

### Hitachi's case for Workplace Diversity

Diversity at Hitachi in Europe means we appreciate and value differences, seeking to achieve a mix of people that reflects society today. The benefits include:



#### Increased Creativity

*Having employees from different backgrounds opens up a variety of perspectives and ideas.*

**15%** gender-diverse companies are 15% more likely to outperform their peers.



#### Staying Ahead of the Game

*Companies are working to promote diversity and inclusion.*

**55%** of companies have policies which promote diversity 'strongly' or 'very strongly'.



#### Wider Talent Pool

*When a company is viewed as diverse and inclusive, a wider pool of talent is attracted.*

**2/3** of people consider workplace diversity to be a major factor in choosing where to work.



#### Stakeholder Support

*Stakeholder support is vital for a licence to operate, particularly where a company's workforce mirrors its local community and can therefore respond to local stakeholder concerns.*

**76%** of EMEA companies focus on ethnicity and nationality as part of their diversity and inclusion programmes.



#### Workplace Happiness

*Employees in a generationally diverse team are 10% happier than those who aren't.*

**10%** of employees who worked within a generationally-diverse team were 10% happier than those who worked with others of similar age.



#### Better Outcomes

*Research shows that diversity & inclusion lead to better business performance.*

**x 2.3 higher** cash flow.

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## Women of Hitachi

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**T**he Women of Hitachi network enables women across all functions and levels within Hitachi to develop their skills, find opportunities to advance and improve their personal impact at work.

It informs those inside and outside of the organisation about the talent which exists within Hitachi. The programme hosts learning events, webinars and online discussions enabling employees to exchange experiences and ideas. The programme is open to all employees within Hitachi in Europe, with women and men encouraged to be involved.



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Inspire the Next

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