

HITACHI RAIL LIMITED

Gender Pay Gap Report

2021





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 that will add to the 286 trains that are already transforming rail journeys across the UK.

We have brought train manufacturing back to the North East, with our state-of-the-art factory in County Durham, unlocking a £2.2 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 Smart Mobility.

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, 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 2021.

Hitachi Rail Limited

Statutory Disclosures



Our full-pay workforce on 5 April 2021 comprised of 2,149 men and 336 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.

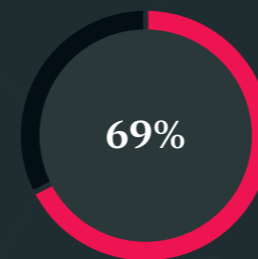
Our calculations show that Hitachi Rail in the UK has a mean gender pay gap in hourly pay of 6.1% in favour of men (2.3% in 2020, a difference of 3.8%), and a median gender pay gap in hourly pay of 11.8% in favour of men (10.1% in 2020, a difference of 1.7%).

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.

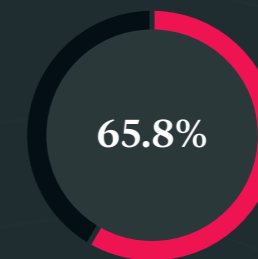
When it comes to bonus payments it is a different outlook. With 65.8% (65.6% in 2020) of males receiving a bonus and 69% (72.2% in 2020) of females.

The mean gender bonus gap is 27.7% in favour of women, in comparison to last year's analysis which was 21.8% in favour of women, a difference of 5.9%. The median gender annual bonus gap is 81.7% (80.5% in 2020) in favour of women, a difference of 1.2%.

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>	78.6%	21.4%
Lower Middle Quartile	Includes all employees whose standard hourly rate places them above the lower quartile but <u>at or below the median</u>	89.2%	10.8%
Upper Middle Quartile	Includes all employees whose standard hourly rate places them <u>above the median but at or below the upper quartile</u>	91%	9%
Top Quartile	Includes all employees whose standard hourly rate places them <u>above the upper quartile</u>	87.1%	12.9%

Trends	2019 (%)	2020 (%)	2021 (%)	Change from 2020 & 2019	Change from 2021 & 2020
Gender pay gap mean pay rate (%)	+0.2	+2.3	+6.1	+2.1	+3.8
Gender pay gap median pay rate (%)	+7.0	+10.1	+11.8	+3.1	+1.7
Gender pay gap mean bonus (%)	-27.5	-21.8	-27.7	+5.7	-5.9
Gender pay gap median bonus (%)	-107.0	-80.5	-81.7	+26.5	-1.2

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