



**HITACHI**  
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## Hitachi Solutions Europe Ltd

March 2019

## Reporting our Gender Pay Gap

## **I The value of Diversity and Inclusion within Hitachi**

Hitachi regards personal differences - gender, nationality, work history, age, sexual orientation, and philosophy - as facets of people's individuality. By respecting our employees' individualities and positioning them as an advantage, Hitachi frames its diversity and inclusion as conducive to both the individual's and the company's sustainable growth. With strong teamwork and broad experience in the global market, we will meet our customers' needs.

### **Diversity at Hitachi Solutions Europe Ltd.**

Diversity at Hitachi Solutions means seeking to achieve a mix of people that reflects society today. We seek to promote diversity at all levels of the company and will focus on gender diversity as our first goal in the area. However, we seek to ensure that nobody is discriminated against and all are provided equal opportunities notwithstanding their age, race, disability, gender reassignment, marriage and civil partnership, sexual orientation (LGBTQ), pregnancy or maternity, religion or belief (including lack of belief).

### **Inclusion at Hitachi Solutions Europe Ltd.**

Inclusion means that our whole workforce is engaged and enabled to work in a way that is beneficial to both the business and individual employees. A workplace environment is created so that all people are involved, feel a sense of belonging and are respected, regardless of their diversity characteristics. Leaders encourage this environment so that all employees can contribute and collaborate to the best of their ability.

### **Gender Pay Gap Reporting at Hitachi Solutions Europe Ltd.**

Hitachi is supportive of the Government's requirement for organisations to publish their gender pay gap results annually, as a means of recognising where a gender pay gap persists, and remains committed to working towards closing its gaps.

## I Hitachi Solutions Europe Ltd's gender pay gap data

The data for our report was collected on 5 April 2018. 262 employees were classified as “full-pay relevant employees” and were used in the reporting of hourly pay gap statistics. Of these 262 employees, 201 were male and 61 were female. This means on the 5 April 2018 Hitachi Solutions Europe was 76.7% male and 23.3% female.

Our calculations show that Hitachi Solutions Europe has a mean gender pay gap in hourly pay of 22.8% and a median gender pay gap in hourly pay of 23.1%.

After determining these results, we completed further analysis to better understand any pay gaps within segments of the workforce (the pay quartiles). This confirmed that we have a higher proportion of males across our business as a whole, and particularly in our top three quartiles, which significantly impacts our gender pay results.

**Headcount numbers by quartile**

Description	Males	Females
Top Quartile	87.9%	12.1%
Upper Middle Quartile	84.6%	15.4%
Lower Middle Quartile	80.3%	19.7%
Lower Quartile	53.8%	46.2%

Our hourly pay gap is also significantly impacted by commission payments to our sales team members because, similarly to our organisation as a whole, our sales team has a higher number of males than females. April 2018, the month that our data was extracted from, was also a month in which the sales team members were paid commission payments which counts towards the hourly pay for the purposes of this calculation.

We carried out analysis to compare employee salaries within roles, and the results of this confirmed that pay for males and females in the same jobs is equal. This is an important distinction as gender pay gaps are not the same as unequal pay. Equal pay relates to paying males and females fairly for work that is similar or of equal value. Gender pay reflects the underlying workforce demographics within an organisation.

In terms of demographics, whilst Hitachi Solutions Europe's workforce overall is more male dominated, we are slightly ahead of industry standards, with most organisations in the hi-tech sector reporting a 15% to 20% female workforce. In line with most organisations in our sector, males do dominate the top pay quartile, however because of the higher proportion of males overall within our organisation, they dominate each of the quartiles. This can clearly be seen in our quartile gender ratios and has a significant impact on our gender pay gap.

## Bonus Pay Gap

The proportion of females that received a bonus is 55.7%, and the proportion of males that received a bonus is 58.2%. Every role at Hitachi Solutions Europe is eligible for a bonus payment, however bonus payments are subject to start dates. These proportions reflect bonuses awarded during the reporting period of the 12 months prior to the snapshot date of 5 April 2018. The company's annual bonus period runs from 1 April to 31 March, with payments being made to employees in May to employees who join after the 31<sup>st</sup> December. Because we must look at the 12 months prior to the snapshot date, this means that the reporting period does not include any bonus for new joiners who started with the company after 31<sup>st</sup> December 2016. In the period between December 2016 and the 5 April 2018, we had 123 new joiners, so 123 people have not been included in this calculation.

The predominance of men in our top three quartiles impacts our comparison figures for bonus payments. The calculations indicate a difference in mean bonus payments of 45.8% and a difference in median bonus payments of 41.7%.

## I Driving change

Hitachi has created a European Diversity and Inclusion Steering Committee, with the purpose of driving diversity and inclusion from a senior level. The Committee has put in place a Diversity and Inclusion Framework which defines the issues, establishes a clear business case for diversity, and sets out Hitachi's intent, vision and aims in this area.

It has also developed several 'strategic interventions' which form the focus of its work in 2018 and beyond. These are supported by ongoing work on monitoring and measurement as well as substantial investment in communication resources to increase awareness and understanding of diversity and inclusion across the business.

## I Strategic Interventions 2018

### Women of Hitachi

This grass roots organisation helps women of all functions and levels at Hitachi grow their skills, find opportunities to advance, increase impact at work and network with people who can help them achieve their professional goals. It offers learning events, webinars and online discussions as well as hosting an annual European summit.



2018's event was themed 'Powering Change' and featured inspirational speakers, valuable workshops and many opportunities to network with fellow attendees and Hitachi business leaders. The aim was to give participants opportunities to enhance their success and contribution to Hitachi, coupled with practical tools and advice to enable them to maximise the value of their learning and put this into effect back in the business.

Hitachi Solutions Europe Ltd have also started a Women in Dynamics working group. This group aims to promote women in the workplace by creating a support network and discussing ideas to further help us on our change journey.

### **Improving the sharing of talent**

Hitachi Solutions Europe facilitates a regular recruitment and resourcing forum to share talent between all regions within Europe, and also from other Hitachi Solutions companies outside of Europe. This involves activities such as communicating vacancies between group companies (including roles in senior grades), sharing details of 'must move' talent to avoid losing valuable employees from the Hitachi Solutions family, increasing awareness of the careers site among employees, enabling peer networking among Hitachi graduates and apprentices and encouraging employees to learn about the wider Hitachi group.

### **Attracting talent**

Hitachi Solutions Europe Ltd. is actively trying to recruit more females into our organisation. When recruiting new employees Hitachi Solutions tries to ensure that all candidates meet at least one female employee during the interview process. Hitachi Solutions also promotes flexible working within our organisation including remote working and part time working.

### **UK Gender Pay Gap reporting**

Hitachi Solutions Europe Ltd. team members attended a workshop held at Hitachi Europe, along with colleagues from other Hitachi group companies, to review reporting results and trends from the previous year to gain an understanding of the gender pay gap within the hi-tech industry. This workshop also focussed on examining possible causes and contributing factors of the gender pay gap as well as evaluating potential actions to address Hitachi's pay gaps.

### **Addressing unconscious bias**

Hitachi offers its employees various online training courses such as 'Equality and Diversity' and 'Building an Inclusive Workplace' via the Hitachi University learning platform.

## I Our ongoing commitment

Hitachi has defined what we seek to achieve in the area of diversity and inclusion in the medium and long term. This is expressed as its intent, vision and aim and shapes and drives our activities in this area.

For more information on our commitment to diversity and inclusion please visit <http://www.hitachi.eu/en/diversity-and-inclusion>

The global Hitachi, Ltd. business is also working proactively to accelerate its activities aimed at promoting diversity, with the ambitious goal of achieving a 10% ratio for both female and non-Japanese Executive and Corporate Officers (its most senior positions) by financial year 2020. It has positioned diversity as an important management strategy and is advocating this approach throughout the worldwide group, based on strong commitment by senior management.

In Europe, Hitachi is beginning to measure the impact of diversity and inclusion using an 'Inclusion Index' based on responses to its Global Employee Survey. Questions about being treated with respect by managers and other colleagues, as well as seeing diversity and inclusion role-modelled by senior managers, give the company a measure of employees' sense of inclusion and Hitachi's continuing progress on diversity and inclusion. Overall Inclusion Index scores are good, but there is room for improvement.

Intent	Hitachi in Europe is recognised as a diverse and inclusive group of companies at all employee levels.
Vision	The increasingly diverse and complex global environment in which Hitachi operates requires inclusive leadership. Our leaders respect peoples' differences, effectively using people's talents and skills, enable work-life balance and ensure equal opportunities for all.
Aim	Using company relevant reporting, demonstrate an increase in workforce diversity, including an increase in the number of women holding senior positions in Group companies. Showcase the business impact delivered as a result.  Show continuous improvement in all business areas in attracting the best talent and delivering career development opportunities to Hitachi employees in Europe.



I confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

Steven French

Chief Executive Officer, Hitachi Solutions Europe