



Reporting our **Gender Pay Gap**

April 2024

The value of Diversity, Equity and Inclusion within Hitachi

Our diverse culture drives the success of our mission to contribute to society by creating an environment where every person belongs. Hitachi Solutions has a place for everyone, welcoming differences in colleagues' background, age, gender, sexuality, family status, disability, race, nationality, ethnicity, religion and world view. We respect and value these and other differences because only through diversity, equity and inclusion can we drive innovation and creativity to contribute meaningfully to society.

Our commitment ensures long-term, sustainable business growth improving our ability to serve global customers effectively as well as attracting, nurturing and retaining talent from around the world, strengthening our position in the market to lead the way to a more diverse, equitable and inclusive future.



Diversity at Hitachi Solutions Europe Ltd.

Diversity is a fact.

Diversity means that there is a place for everyone. At Hitachi Solutions we embrace everyone's unique contribution valuing all differences such as protected characteristics, personal traits, experiences and perspectives.

It means seeking to achieve a mix of people that accurately reflects society today at all levels of the company helping us to attract and retain the talent we need to contribute to wider society and our sustainable future.

Protected characteristics include gender, age, disability, family status, race, religion or belief or sexual orientation, and we also consider other personal differences such as background, culture and world view.

Equity at Hitachi Solutions Europe Ltd.

Equity is a choice.

Equity means every employee has access to everything they need to succeed and is treated with fairness and transparency.

At Hitachi, we recognise that each of us need different conditions and environments to thrive. We put policies, tools and reasonable accommodations in place to allow everyone to be able to access the same opportunities. We actively listen and learn from our people to understand what we can do better and take a proactive approach to implement change where needed.

Inclusion at Hitachi Solutions Europe Ltd.

Inclusion is an action.

Inclusion is ensuring everyone feels recognised, valued and empowered to contribute resulting in our workforce feeling engaged and enabled to work in a way that is beneficial to both the business and individual employees.

We believe everyone should feel respected, heard, involved and able to speak up. It implies an open, empathetic culture and attitude that secures freedom of expression and psychological safety, where individuals are free to be themselves, regardless of personal traits and characteristics, without fearing negative consequences.

The Business Case

Hitachi's business case for workplace diversity demonstrates why diversity is fundamental to maintaining a successful business. It outlines the key benefits of having a diverse and inclusive workforce: increased creativity, better outcomes, workplace happiness, being ahead of the game, wider talent pools, and support from stakeholders.

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.



Hitachi Solutions Europe Ltd's Gender Pay Gap data

The data for our report was collected on 5 April 2023. 445 employees were classified as “full-pay relevant employees” for the purpose of reporting of hourly pay gap statistics. Of these 445 employees, 324 were male and 121 were female.

Our calculations for this period show that Hitachi Solutions Europe has a mean gender pay gap in hourly pay of 19.86% and a median gender pay gap in hourly pay of 16.76%, indicating a small improvement on last year's gap.

In terms of demographics, Hitachi Solutions Europe's UK workforce overall is more male dominated, with 72.8% of full-pay relevant employees being male and 27.2% female at the time of reporting. This is slightly ahead of industry standards, with most organisations in the hi-tech sector reporting an average 15% to 20% female workforce. In line with most organisations in our sector, males dominate the top pay quartile. This is due to the higher proportion of males in senior management

positions and highly technical (STEM) roles. This can clearly be seen in our quartile gender ratios and has a significant impact on our gender pay gap and gender bonus gap.

On receiving these results, we completed further analysis to better understand any pay gaps within segments of the workforce (the pay quartiles) and within Hitachi's job grades. This confirmed that, while there are minimal pay gaps within all quartiles, we have a high proportion of males in our senior job grades, which significantly impacts our gender pay results.

We have carried out analysis to compare employee salaries within roles, and the results of this confirmed that pay for males and females in the same positions 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.

Band	Description	Males	Females
A	Includes all employees whose standard hourly rate places them at or below the lower quartile	54.46%	45.54%
B	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median	72.07%	27.93%
C	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile	80.18%	19.82%
D	Includes all employees whose standard hourly rate places them above the upper quartile	84.68%	15.32%

Bonus Gap

The calculations indicate a difference in mean bonus payments of 51.5% and a difference in median bonus payments of 32.2%. The proportion of females that received a bonus is 56.69%, and the proportion of males that received a bonus is 67.38%.

Our gender bonus gap is impacted in two ways: the first is that we have a predominance of men in senior positions, therefore earning higher bonuses, and the second is that we have a predominance of men in sales positions, and commissions earned throughout the year are required to be reported alongside annual bonus payments.

Every role at Hitachi Solutions Europe is eligible for an annual bonus payment, however bonus payments are subject to start dates. Our bonus pay gap numbers reflect bonuses awarded during the reporting period of the 12 months prior to the snapshot date of 5 April 2023. The company's annual bonus period runs from 1 April to 31 March every year, with payments being made to employees in May to employees who join by the 31st 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 31st December and therefore a high number of employees cannot be included in our bonus gap calculation.



Driving change

Hitachi Solutions participates in several Hitachi initiatives designed to support the ongoing and increasing awareness and understanding of diversity and inclusion across the global business.

In June 2020, Hitachi Ltd announced the appointment of Lorena Dellagiovanna as Chief Diversity & Inclusion Officer for Hitachi Ltd, the first time this position has been held within the global business.

Lorena frames the Hitachi Ltd. strategy for Diversity and Inclusion by explaining

“Over 350,000 employees who are working at Hitachi are unique and diverse, with each of us carrying a huge asset of skills, capabilities, ideas, experience, and values. It is therefore very important to leverage this diversity by implementing a process for behavior change and by creating an environment where people can be themselves. That will bring a huge opportunity for Hitachi to bring innovation, to tackle new markets, to better serve our customer, and to attract new talents.”

Improving the sharing of talent

Hitachi Solutions Europe facilitates a regular recruitment and resourcing forum to share talent between all regions within Europe, and 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.

Developing Talent

We run several internal processes to ensure all colleagues are supported and encouraged to develop professionally. We built our Career Development Manager programme to give each employee access to an internal mentor, responsible for providing advice and guidance on their career development, and for supporting their advancement and visibility. For many, the next stage of their professional development is becoming a Career Development Manager themselves, and we provide training and guidance on this throughout the process.

We run a transparent promotion process, always considering both male and female employees for promotion at each level, as well as aiming to ensure candidates are interviewed by both male and female interviewers. Senior level promotions are subject to a panel-style interview to ensure a consistent process.



Our ongoing commitment

At Hitachi Solutions, we have created an internal Diversity, Equity, and Inclusion Action Group, independent of the leadership team and with the mandate to raise ideas for action and provide feedback.

We also have a network of employee resource groups (ERGs), which are a people led groups formed around a shared identity, interest, or characteristic (ethnicity, gender, sexual orientation, disability, veteran status, parenthood, or hobbies). These ERGs don't only provide valuable safe spaces, support, networking, professional development, and a sense of community for our employees fostering a strong sense of belonging, but also allows us to identify areas of improvement across the business.

The global Hitachi, Ltd. business is also working proactively to accelerate its activities aimed at promoting diversity, with the goal of achieving a target 30% females in management positions by financial year 2030. 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 measures 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.



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

A handwritten signature in black ink, appearing to read 'Steven French'.



Steven French
Chief Executive Officer
Hitachi Solutions Europe