



HITACHI
Inspire the Next

Hitachi Consulting UK Ltd

March 2019

Reporting our Gender Pay Gap

I The value of Diversity and Inclusion within Hitachi Consulting

Diversity is the wellspring of our innovation and our growth engine. 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 Consulting means that we appreciate and value differences. It also 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 Consulting 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.

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.

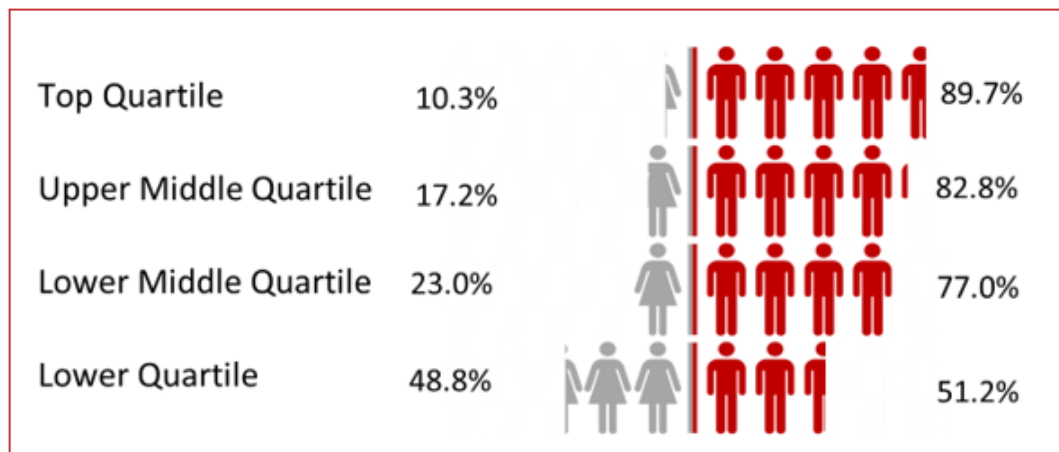
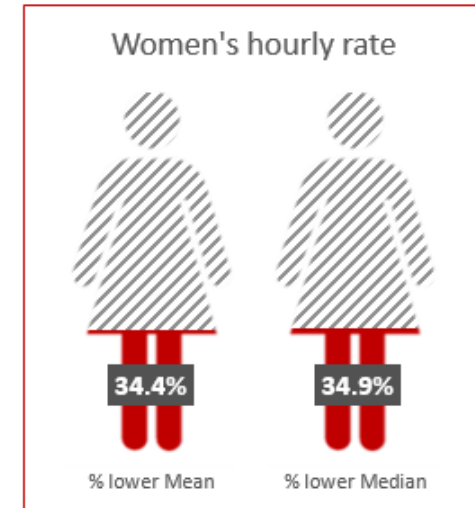
Hitachi Consulting's gender pay gap data

The data for our report was collected on 5 April 2018. At this date our workforce consisted of 91 women and 261 men.

Our calculations show that Hitachi Consulting has a mean gender pay gap in hourly pay of 34.4% and a median gender pay gap in hourly pay of 34.9%.

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

We also 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.

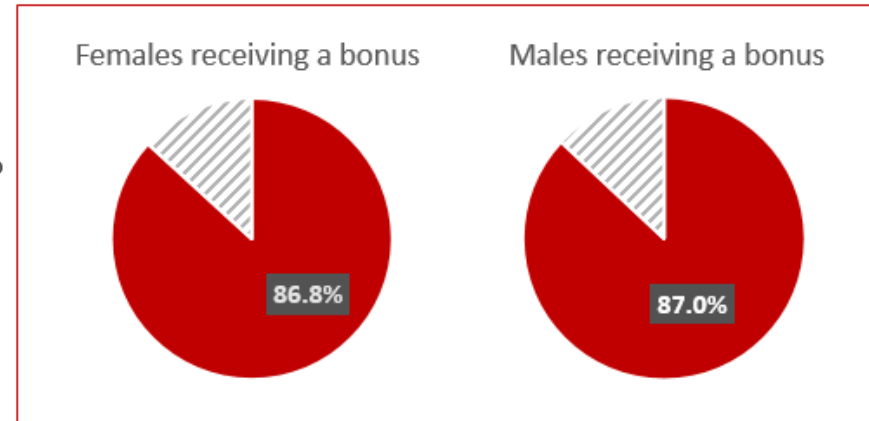


In terms of demographics, Hitachi Consulting's workforce overall is one quarter female to three quarters male. Reflecting similar trends within the hi-tech sector, males dominate the top, upper middle and lower middle pay quartiles. This is due to the higher proportion of males in senior management positions 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. We are pleased however to see an improvement in female representation in the top quartile, increasing from 5.8% in April 2017 to 10.3% in April 2018.

We have seen a reduction in our mean bonus gap, to 49.1% in April 2018 down from 57.6% in April 2017. The calculations indicate a difference in median bonus payments of 58.9%. The predominance of men in senior positions also impacts our comparison figures for bonus payments.



In the 12 months up to 5th April 2018, the proportion of females that received a bonus is 86.8%, and the proportion of males that received a bonus is 87%. Those that did not receive a bonus payment either they did not achieve the required performance rating, were new to the company or had resigned.



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.

Mentoring circles

This six-month programme consists of monthly mentoring sessions, in which groups of mid-level employees are mentored by more experienced colleagues. Originally aimed at female employees, the scope has recently been widened to include male colleagues too.

The circles provide an open environment where mentees can discuss issues relating to their professional development and obtain advice and feedback from their mentors, as well as peer support from fellow mentees. Each session focuses on a specific topic, such as leadership styles, effective networking, selling personal capabilities and maintaining work-life balance.

Improving the sharing of talent

Hitachi companies facilitate a regular recruitment forum to share best practice in this area across the group's businesses. 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 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.

UK Gender Pay Gap reporting

Building on last year's meetings which shared knowledge and best practice, Hitachi companies held a further 2018 workshop to review reporting results and trends. This also focussed on possible causes and contributing factors 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. Hitachi also offers cultural awareness seminars to enhance their understanding of cultural diversity, as well as facilitating collaborative and harmonious working.

I Our ongoing commitment

Hitachi companies have 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

A handwritten signature in black ink, appearing to read 'D Brindle', written over a light grey rectangular background.

David Brindle

Senior Vice President and EMEA General Manager