

Hitachi Energy UK Limited

Gender Pay Report

April 2023

Hitachi Energy is a global technology leader serving customers in the utility, industry and infrastructure sectors with innovative solutions and services across the value chain. Together with customers and partners, we pioneer technologies and enable the digital transformation required to accelerate the energy transition towards a carbon-neutral future. Hitachi Energy has a proven track record and unparalleled installed base in more than 140 countries. Headquartered in Switzerland, we employ around 38,000 people in 90 countries and generate business volumes of approximately \$10 billion USD.

Previously part of ABB Limited, following the joint venture creation of Hitachi Power Grids and now Hitachi Energy UK Limited, this is the third year that we as a stand-alone organisation have conducted our own analysis in respect of the UK Gender Pay Gap Regulations, which came into effect in April 2017. Prior to then, our data will have been reported as part of the overall summary and analysis carried out by ABB Limited, and two years ago we reported under the Company name ABB Power Grids UK Limited as part of our interim transition to becoming Hitachi Energy.

As part of our analysis, we are able to carry out effective benchmarking year on year; we have also compared against industry standards in order to analyse our current position as well as areas for improvement.

At Hitachi Energy UK Limited we are committed to solving some of the biggest global challenges of our time. We transfer the power of the world's largest wind farms, bring energy to mass transportation systems, and protect our biggest cities from blackouts. This is made possible by our exceptional talent who embrace and live by a powerful equation:

Diversity + Collaboration = Great Innovation

Diversity 360 is vital to our purpose and is a business imperative. Diversity in thought and experience enables us to create a dynamic solutions-oriented culture of innovation and collaboration that prepares our people to realize their highest potential and empowers us to deliver on our mission to power good for sustainable energy.

For our part, it's our promise to deliver brilliant employee experiences as a new, combined company, where our extraordinary talents are given the right environment and are empowered to thrive.

The Diversity 360 vision is underpinned by four key workstreams: Our Leadership Pillars, Female acceleration, Live diversity and inclusion, and Attract and Grow Talent.

This includes specific targets around recruitment and promotion of females within the organisation (40% of early careers recruits and 25% of senior roles by 2025), together with dedicated programmes and talent pools both locally, regionally, and globally, to help develop our female population for future roles and opportunities.

Our Talent and Learning function is making great strides towards embedding Diversity within our organisation, including unconscious bias and inclusive leadership training programmes, creation of a Women's Network (open to all genders) and locally within the UK, we concluded our first cohort of our Female Acceleration Programme for the UK and Ireland, working closely with the Women in Leadership Association (WLA). We introduced anonymous recruitment for

our early careers entrants into the business, resulting in a 50/50 split in male/female entrants into the business in the most recent intake into our Engineering function. We continue to demonstrate our commitment to gender equality within our brand awareness campaigns as we continue to bring the newly created Hitachi Energy brand to life.

We collaborate closely with external organisations to further strengthen our knowledge and change management ability in this space. Future talent and encouraging young people of all genders into STEM is high on our agenda, working with the education sector, local schools, and national charities to increase engagement opportunities.

Pay and bonus difference between men and women at 5 April 2022

	Mean Pay Gap	Median Pay Gap
Hourly Pay	19.6%	22.7%
Bonus	35.3%	41.4%

Compared to our 2020 and 2021 reporting figures, we have seen a pleasing downward trend in the mean gap in hourly pay (from 23.96% to 21.85 and now to 19.6%). This trend demonstrates our ongoing commitment to ensuring equal pay for equal jobs. The overall median figure has been affected by outliers and therefore we believe the mean provides the greatest confidence to us that we are heading in the right direction.

Our bonus data has seen an upward trend when considering the past 12 months; this has been impacted due to change in financial year reporting causing the payment of a 'top up' quarter bonus. The gap is impacted as a result of there being less females in the functions and roles that attract the higher bonus percentages. We have a significant proportion of the total population assigned to our bonus scheme; 97% of males and 95% of females. The impact in terms of the gap, is impacted heavily due to outliers and the previous bonus structure which assigned different functions and business areas to different scorecards. As an organisation, for 2022-23 Financial Year, we have moved to having one global scorecard for all, which will allow a more transparent snapshot to be taken for the 2023 analysis.

We have just completed a large grading process across the organisation, using the Hitachi/Mercer grading methodology, which has also allowed us to have a robust framework upon which to review our compensation and bonus structure to ensure that within similar functions and roles, there is no discernible difference in potential pay or bonus award.

Detailed Pay Quartile Analysis

	Men	Women	Mean Gap	Median Gap
Upper hourly pay quartile	83%	17 %	5.2 % (+7)	0.31% (+2)
Upper middle hourly pay quartile	89%	11%	-1.32%	-1.56%
Lower middle hourly pay quartile	79%	21%	0.27%	1.85%
Lower hourly pay quartile	58%	42%	7.06%	12.61%

When we look at the data on this quartile-by-quartile basis, we see improved mean and median gaps on hourly pay. This indicates that we broadly pay equal pay for comparable level jobs. We will continue to review and analyse this rigorously with the commitment to ensure that our people receive equal pay for equal work, aided by the grading methodology now in place as mentioned above. As always, welcome the opportunity presented by this process to carry out this robust and holistic review of our pay data, using our previous reports as helpful trend data.

The overall percentage of females within our workforce at the snapshot date of this report is 22%, which has increased by 2% since the last report, and is now back up to 2020 levels. Whilst our gender split is reflective of the overall industry demographic, we are committed to continue to play our part in making the change in this space.

Our 2022 data shows there is more analysis and work to be done in the upper and lower quarters. Whilst there has not been much movement in gender split in the upper quartile, we have seen a significant swing in the mean and median pay gap, which was previously at a negative level. Within the top 40 highest paid employees (by hourly rate), we only have 5 females (12.5%). In the lower quartile, we saw an increase in recruitment of males, in more technical roles, which brought them into the higher paid in this quartile which is also the quartile in which the more junior, or administrative heavy roles sit within. We are pleased to see that in the upper quartile and middle quartiles, the balance is more favourable across the genders, suggesting that within these roles, females are treated comparably with their male counterparts in terms of pay. We also saw a large increase in females within the lower middle quartile – raising from 13 to 21%.

The overall gap is explained by the balance of gender across the jobs within the UK, where a larger proportion of women is found in administrative positions. It is noted that across all quartiles, women make up less than 50% of the workforce.

As a result of our continued push for diversity across the organisation, we have seen a step change in the gender balance of our Leadership Team, including our first female Country Managing Director for the UK business, and in other traditionally 'male' dominated roles such as Front End Sales, over the last 12 months and continue to drive for this to become embedded across all levels of management into the future.


We have pledged to create economic, environmental and social value for a sustainable energy future. Development of our people; talents, experts and leaders, to advance not only their professional skills and knowledge, but our Diversity 360 approach and mindset, remain a top priority. We champion an inclusive culture powered by individual differences, collaboration, and diversity of thought

We confirm that the data reported is accurate.



Laura Fleming
Country Managing Director

For and on behalf of Hitachi Energy UK Limited



Claire Taylor
HR Operations Lead