

Hitachi Global Air Power Australia
Employer Statement – Gender Pay Gap

Reporting year: April 2022 to March 2023

The Workplace Gender Equality Amendment (Closing the Pay Gap) Act 2023 requires the Workplace Gender Equality Agency (WGEA) to publish private sector employer gender pay gaps from early 2024 for organisations with 100 or more employees.

The gender pay gap is a universally recognised metric of workplace gender equality. However, it is a broad and highly contextual measure, and one of several that can be drawn on to signal an employer’s commitment to achieving gender equality in the workplace.

1. Our approach

To ensure a long-term growth for our company both globally and locally, Hitachi leverages Diversity, Equity, and Inclusion (DEI) as a business driver, it is essential that everyone at Hitachi has a foundational understanding of DEI, gender equality, the impact of unconscious biases, and how we can collectively foster an inclusive environment.

Why DEI is Important to Hitachi Global Air Power Australia

- We believe that embracing diversity and equality creates a **more inclusive and fair society**, and ensures sustainable business growth
- We are committed to building a **diverse and inclusive workplace** where everyone has a chance to fulfill their potential and contribute their unique talents and skills
- We are driven by the need to innovate. DEI helps us **serve our different customers and provide solutions for their unique needs.**

2. Our gender pay gap and organisational context

Primary Industry: Pump and Compressor Manufacturing
 Number of employees: 140
 Females: 35 (25% of workforce)
 Males: 105 (75% of workforce)
 Full-time: All employees (both female and male)

Our average total remuneration gender pay gap is 18.3% and the median is 21.6%.

Workforce Composition: Managers versus Non-managers

	Managers		Non-managers	
	Women	Men	Women	Men
2022-2023	24%	76%	25%	75%

Workforce Composition: Appointments to Manager and Non-Manager roles

	Female		Male	
	Number	Percent	Number	Percent
Appointments to Manager roles (including promotions)	3	33%	6	67%
Appointments to Non-Manager roles (including promotions)	15	33%	30	67%

Our current initiatives supporting gender equality include:

- **Flexible working arrangements** - employees in a number of roles have the ability to work from home for up to 2 days per week
- **Annual salary reviews** – salaries are reviewed against Mercer data and where benchmarked at a low percentile, adjustments are made
- **International Women’s Day** - celebration of females on International Women’s Day highlight their contribution and effectiveness to the organisation
- **Your Voice Committee** – a group of employees meet monthly to consider issues including diversity and inclusion, health and wellbeing, a positive organisational culture and associated events.
- **DEI Training** – this covers:
 - What is DEI and why it's important
 - What are unconscious bias', how to recognise them and what can we do
 - How to foster an inclusive environment and make our workplace welcoming for everyone
 - How can we practically activate DEI in our daily lives
 - For managers - How to be an inclusive leader and responsibility leveraging DEI to enhance team capabilities.

3. Gender pay gap drivers

The key reason the gender pay gap exists at Hitachi Global Air Power is because there are more men in higher paid jobs and more women in lower paid jobs.

Gender Composition by Pay Quartile

Quartile	Female %	Male %
Upper	18	82
Upper Middle	11	89
Lower Middle	11	89
Lower	60	40

Note: Total Workforce is 25% female and 75% male

It is important to understand that the reality of pay gaps, they are not influenced by gender alone – they can be impacted by experience, how long employees have been in their roles and the availability of skilled candidates.

The air compressor industry is a traditionally male-oriented industry and when recruiting we often receive few or no female applicants for roles other than administrative roles. In 2023 half of our turnover came from service technicians and we did not receive any female applicants when recruiting to fill vacant positions. We face similar challenges with sales roles. We counter the domination of male candidates where possible, for example, we engaged a female apprentice and a female trainee in 2022/23. We also continue to focus on the promotion of women within the organisation.

4. Actions and Strategies

We recognise that cultural change can take time, but we are committed to the pursuit of workplace gender equality. At Hitachi Global Air Power Australia, we are a strongly values driven organisation. Annually we participate in a global Hitachi Insights (engagement) survey. In 2023 there were two key results indicating very strong support for Diversity, Equity and Inclusion:

1. My immediate manager treats employees with respect with a score of 91.7%.
2. The people I work with are respectful of all employees irrespective of race, gender, religion, national origin, age or disability with a score of 89.3%.

We aim to build on this positive foundation and current initiatives by undertaking the following actions.

- **Pay Gap Analysis** – Perform the annual salary review with a focus on pay for females and males performing the same role
- **DEI Committee** – Currently DEI is incorporated into the Your Voice Committee. We will set up a specific DEI Committee with senior management participation and leverage support from the Global Vice President HR for Hitachi Global Air Power.
- **Strategy Development** – We will develop a strategy which considers:
 - Workforce composition
 - Equal remuneration for men and women
 - Review of flexible working arrangements and utilization
 - Consultation
 - Increased employee awareness
 - Development and career progression.