

## Gender Pay Gap Report 2022

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**OUR MISSION** is to make it easy for everyone, everywhere to unlock new worlds of ideas, learning, entertainment and opportunity. To achieve this, we have to attract and retain talent at all levels that is fully reflective of all readers.

Since the publication of our first Gender Pay Gap Report in 2018, we have worked in close collaboration with our **Gender Balance Network** and heard directly from our staff in a series of workshops and meetings to discuss the pay gap and how we can address the unequal representation of women throughout our business.

The key themes and feedback arising from these discussions have been used to inform our live action plan and over the past year, we have been focusing on ways to attract, promote and retain women in the upper pay quartiles in the company, attract more men into the lower quartiles and provide ever-increasing transparency around pay.

Since our first Gender Pay Gap Report, our Board composition has changed from being one third women to **a Board that is two thirds women**.

In 2018, we pledged that the population of 66% women at the time would be reflected in the top pay quartile. This is a target that we are now very close to achieving, at 64%.

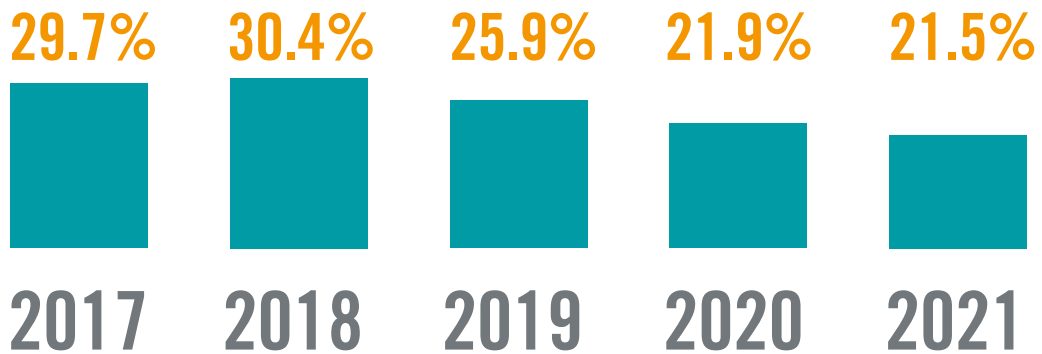
Last year marked the fifth anniversary of Changing the Story, our diversity and inclusion programme of employee networks, policy changes and partnerships through which we will achieve our mission. We published our *Changing the Story: People and Publishing Transparency Report*, the purpose of which is to be open and honest about where we are today, and to share our aims and actions as we focus on the next five years of Changing the Story.

We are honoured to have been included in *The Times Top 50 Employers for Women* listing in 2020 and 2021, the most widely respected award for employers committed to achieving gender equality.

We are aware that we are only at the beginning of our journey towards meaningful and lasting change within our business and our industry, but we pledge to continue to do our very best to become the employer and publisher for everyone.

## PROGRESS SINCE OUR FIRST REPORT

### HACHETTE UK LTD MEAN PAY GAP



When we published our first Gender Pay Gap Report, the Hachette UK Board was comprised of **four women** and **eight men**.



At the April 2021 snapshot, Hachette UK had attained a Board composition in favour of women, with **nine women** and **seven men**.



Effective April 2022, Hachette UK will have a Board of **ten women** and **six men**.

## ACTIONS TAKEN SINCE OUR LAST PAY GAP REPORT

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As a continuation of our journey towards ever-increasing **pay transparency**, we increased the median salary for roles for which we publish pay ranges to £85,000 per annum. We've also continued to include median bonus targets on our pay ranges, and now advertise all our jobs with a clear salary range.



We ran **pension awareness sessions** and webinars for staff at all life stages to support making informed decisions about financial wellbeing. We also promoted external resources through our pension provider, which included specific support for women, and information around the pensions pay gap.



In April 2021, we carried out our first-ever **People Census**, in which we asked our staff to disclose their personal characteristics and background to get a detailed picture of our workforce. We record the binary of men and women for the purposes of reporting our gender pay gap. We asked our staff the question 'how would you describe your gender?' and 1% of our people identify as agender, non-binary, queer or questioning. Separately, we asked the question 'do you identify as trans?', but the number of trans people within the business is not currently big enough to report on.



Last year, we also conducted a **Publishing Census** for the first time, asking authors and other contributors we've published in the last three years to share their personal characteristics and background to get a picture of the diversity of our publishing. We contacted 6,820 authors, illustrators, translators, external editors and other contributors, and had a 49% response rate.



We published our ***Changing the Story: People and Publishing Transparency Report*** in November 2021, with a detailed breakdown of the backgrounds and personal characteristics of our staff along with commentary about how we compare to British society. The report included the programmes, policies and initiatives we've introduced over the past five years to make our business more representative of all readers and to create an environment in which everyone can do their best work. It also included a snapshot of our publishing from 2019 and 2020 and showcased some of our imprints whose mission it is to champion voices from under-represented communities, alongside some of the key programmes we've launched to make our publishing more inclusive.



In June 2021, we welcomed our fourth cohort of **publishing trainees** from backgrounds under-represented in our industry, which includes men at entry level. We enhanced the programme to ensure a more holistic industry experience for our ten talented trainees, partnering with literary agency Curtis Brown and bookseller Waterstones, and broadened the number of departments and functions to which they will have exposure. The trainees specialising in editorial are spending a month at Curtis Brown to learn how to represent authors and matchmake them with publishers, and some of them are spending a month at Waterstones to learn the art of bookselling and understanding consumer buying behaviour.

## ACTIONS TAKEN SINCE OUR LAST PAY GAP REPORT

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For the first time in the history of Hachette UK, we've created an **in-house talent acquisition team**, which will build more systems and processes for inclusive recruitment and appointments. Our new Head of Talent Acquisition will ensure our vacancies reach the broadest possible range of candidates. The team will support hiring managers to make sure that diversity, inclusion and our four pillars of strategy are at the heart of all appointments and instil fairness and consistency of approach in recruitment practices across the company.



We ran a **new virtual work experience programme** for 1,000 students in the February 2022 half-term holiday as we strive to make our industry more transparent and accessible to everyone. In collaboration with our partner Springpod, we've reinvented work experience to reach more young people and the week-long course for students aged 15 to 18, called 'The Business of Publishing', featured self-directed modules, live events and coursework submitted based on a business challenge. We specifically targeted young men in our outreach, among other groups under-represented in publishing.



We matched our fifth cohort of mentors under our **Diverse Future Leaders** scheme, which pairs staff from backgrounds currently under-represented at Board level with a Board member in a mutual mentoring arrangement for a 12-month period. The scheme aims to develop the careers of junior staff and cultivate a diverse and dynamic management team at Hachette UK in years to come, while also giving our Board members an opportunity to see our business from a different perspective.



In December 2021, we celebrated our second **Changing the Story Day**, with a 'freshers' fair' to recruit new members to our employee networks and representatives from our house charity partners, The National Literacy Trust, TutorMate and BookAid, who help to make our books more accessible to everyone.



Between June and October 2021, we held a series of free, virtual events called **Opening the Book** to demystify publishing and help to make it more transparent and accessible to under-represented groups. Ten panel discussions were hosted and chaired by Sharmaine Lovegrove, Publisher at Dialogue Books and Patron of Changing the Story, with each focusing on a particular department. At each event, three of our colleagues shared their first-hand experiences of entry-level, mid-level and head of department roles, bringing to life the opportunities and challenges of working in publishing today.

## WHAT IS A GENDER PAY GAP REPORT?

All companies in Great Britain (excluding Northern Ireland) with more than 250 employees are required to report annually on their gender pay gap. The figures given are for a snapshot date of 5th April 2021. The gender pay gap is the difference between the average earnings of men and women, expressed as a percentage of men's earnings. This excludes any employees on reduced pay (e.g. statutory parental pay, statutory sick pay or unpaid leave).

A gender pay gap does not indicate an equal pay problem. There is a difference between a gender pay gap and equal pay for men and women, which was first brought into line with the 1970 Equal Pay Act. Equal pay is determined in law as the right for women and men to be paid the same when doing the same or equivalent work. It has been an aspect of UK sex discrimination law for 50 years and the law is now incorporated into the Equality Act 2010.

The government requires us to publish a gender pay gap report that allows companies to classify employees as only men or women. At Hachette UK, we believe everyone should have the freedom to express their gender and we ask all staff how they would describe their gender. Some of our staff are non-binary, and so, due to the limitations of the government reporting rules, they are excluded from the gender pay gap data. This is something we have discussed with our Pride Network and our Trans and Non-Binary Working Group.

### Whole Group, Hachette UK Ltd and Distribution explained

Hachette UK Ltd comprises staff in our publishing divisions and our central departments. Until 2020, it was the only legal entity employing over 250 people and was therefore the only legal entity for which we were required to report our gender pay gap. However, because we believe in transparency, and to give an accurate picture of the whole company, we choose to report on the Whole Group as well, which includes everyone in Hachette UK Ltd plus everyone in Distribution. We believe this gives a true reflection of our business.

In 2021, two legal entities employing staff in our distribution business were combined, and the distribution legal entity now employs over 250 people. For this reason, there are three sets of figures in this report: Hachette UK Ltd, Distribution and the Whole Group.

### The key numbers explained:

The mean pay gap figures for Hachette UK Ltd and the Whole Group have reduced since last year. Since our first report in 2018, we've seen a reduction in the mean pay gap for Hachette UK Ltd of 27.6% and a reduction for the Whole Group of 6.3%.

The median pay gap figures are also going in the right direction overall, but with a very slight upward fluctuation of half a percentage point in the Hachette UK Ltd figure between 2020 and 2021.

The figures reported for the first time for Distribution show a median pay gap in favour of women, a small mean pay gap in favour of men, and mean and median bonus gaps in favour of women. These figures reflect the high proportion of women in the upper quartile and the high proportion of men in the lower quartile.

The mean bonus gaps have increased from 2020 to 2021 for Hachette UK Ltd and for the Whole Group. This reflects exceptional performance bonuses paid in February 2021,

related to the company's strong financial results in 2020, including three-year Long Term Incentive Plan (LTIP) payments. The median bonus gaps are moving in the right direction.

The bonus pay gap is affected by salary sacrifice, which is not included in the figures, and the number of employees joining the company in 2020 who haven't received any bonus yet. We therefore see a lag between women being appointed into senior roles and the bonus pay gaps.

The proportion of women has increased in every pay quartile except the upper quartile. The actual number of women in this quartile has increased, but the number of men has increased by more. Small numbers of people make a difference, and we would have needed three additional women in the upper quartile for the Whole Group and five additional women in the upper quartile of Hachette UK Ltd to have improved on last year's figures.

# THE WOMEN / MEN

split of Hachette UK employees (April 2021)

These figures do not include employees on reduced pay – for example maternity pay, sick pay and unpaid leave – who are excluded under the government reporting rules.

| Whole Group<br>- everyone including Distribution | 2021  | 2020  |
|--|-------|-------|
| % Women  | 70.6% | 70.9% |
| % Men  | 29.4% | 29.1% |

| Hachette UK Ltd<br>- publishing and Hachette functions | 2021  | 2020  |
|--|-------|-------|
| % Women  | 74.6% | 74.6% |
| % Men  | 25.4% | 25.4% |

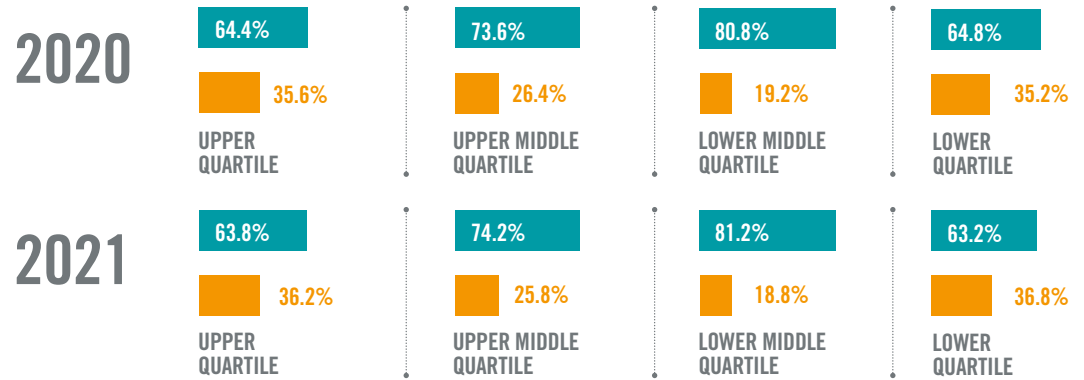
| Distribution | 2021  |
|--------------|-------|
| % Women      | 49.0% |
| % Men        | 51.0% |

## PAY QUANTILES

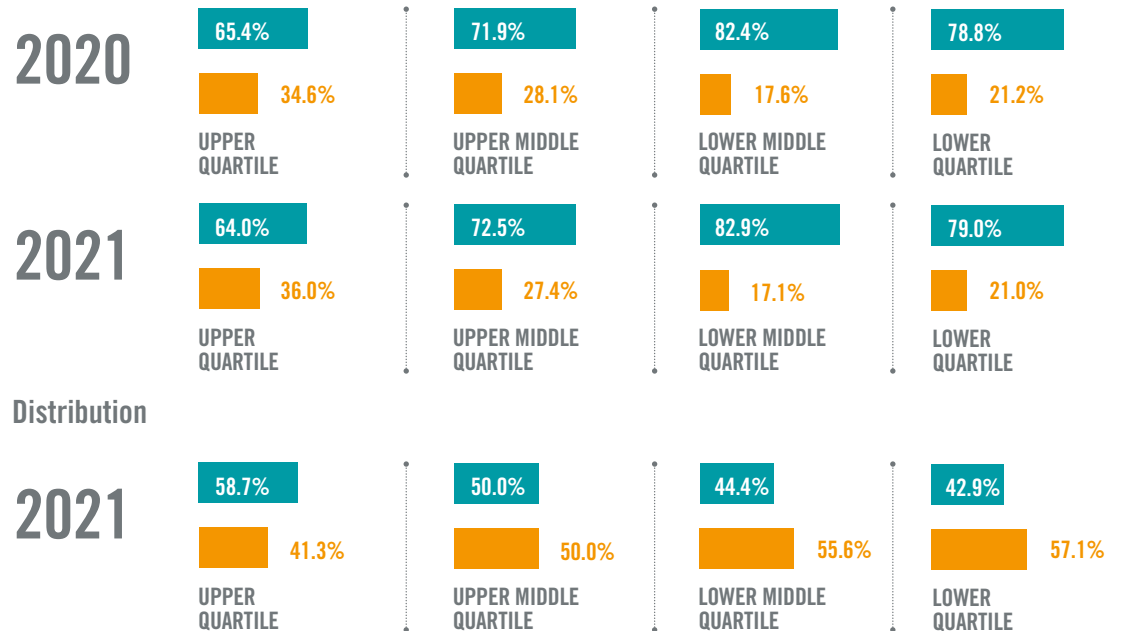
This is the percentage of women and men employees in four quartiles, calculated by ranking employees from the highest paid to the lowest paid and dividing our workforce into four equal parts.



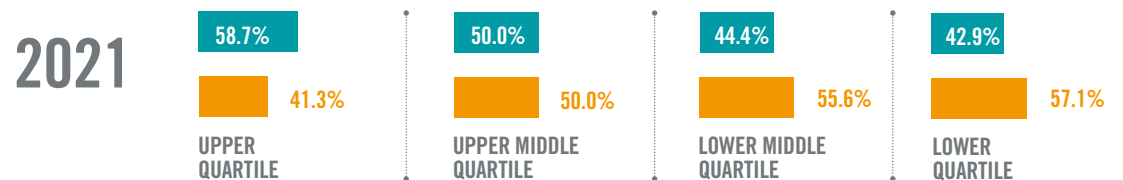
### Whole Group - everyone including Distribution



### Hachette UK Ltd - publishing and Hachette functions



### Distribution



# HOURLY PAY

| Whole Group - everyone including Distribution | 2021  | 2020  |
|---|-------|-------|
| Mean gender pay gap                           | 13.3% | 13.8% |
| Median gender pay gap                         | 5.6%  | 6.7%  |

| Hachette UK Ltd - publishing and Hachette functions | 2021  | 2020  |
|---|-------|-------|
| Mean gender pay gap                                 | 21.5% | 21.9% |
| Median gender pay gap                               | 18.1% | 17.6% |

| Distribution          | 2021   |
|-----------------------|--------|
| Mean gender pay gap   | 2.9%   |
| Median gender pay gap | - 3.1% |

The mean is the difference between the average hourly rate of pay between **women** and **men** employees.

The median is the difference in the midpoints of hourly rates of pay between **women** and **men** employees. It is calculated by ranking all the figures in descending order from the highest to the lowest and taking the figures in the middle of the list. This avoids skewing by figures at either end of the scale.

# BONUS PAY

| Whole Group - everyone including Distribution | 2021  | 2020  |
|---|-------|-------|
| Mean gender pay gap                           | 65.6% | 53.9% |
| Median gender pay gap                         | 0.5%  | 8.2%  |

| Hachette UK Ltd - publishing and Hachette functions | 2021  | 2020  |
|---|-------|-------|
| Mean gender pay gap                                 | 71.7% | 60.6% |
| Median gender pay gap                               | 18.3% | 20.7% |

| Distribution          | 2021    |
|-----------------------|---------|
| Mean gender pay gap   | - 17.5% |
| Median gender pay gap | - 17.3% |

The mean gender bonus gap is the difference in average bonus pay that **women** and **men** employees receive.

The median gender bonus gap is the difference in the midpoints of the ranges of bonus pay received by **women** and **men** employees.

Unlike the hourly rate of pay, the bonus is based on absolute values and not calculated pro rata. This means that those on part-time contracts (90% of our part-time employees are women) receive a smaller overall bonus, which affects the size of our bonus pay gap.

# WHO RECEIVED BONUS PAY?

| Whole Group - everyone including Distribution          | 2021  | 2020  |
|--|-------|-------|
| Proportion of <b>women</b> employees receiving a bonus | 92.8% | 94.3% |
| Proportion of <b>men</b> employees receiving a bonus   | 91.9% | 93.5% |

| Hachette UK Ltd - publishing and Hachette functions    | 2021  | 2020  |
|--|-------|-------|
| Proportion of <b>women</b> employees receiving a bonus | 91.8% | 94.6% |
| Proportion of <b>men</b> employees receiving a bonus   | 90.4% | 96.2% |

| Distribution        | 2021  |
|---------------------|-------|
| Proportion of women | 96.4% |
| Proportion of men   | 97.2% |

These figures reflect who received a bonus payment in the 12-month period ending with the snapshot date. This is affected by salary sacrifice which is not included in the figures, and new joiners to the company who would not have been eligible for the bonus window.

## DECLARATION

**We confirm that the information and data reported are accurate. They follow the government's Equality Act 2010 (Gender Pay Gap information) Regulations 2017.**



DAVID SHELLEY  
Chief Executive Officer,  
Hachette UK

March 2022