

Gender Pay Gap Report 2024

OUR MISSION is to make it easy for everyone to discover new worlds of ideas, learning, entertainment and opportunity. To achieve this, we aim to attract and retain the very best talent from a diverse range of backgrounds that authentically reflect our readership and the communities we serve.

Over the past year, following our previous Gender Pay Gap Report, we have kept our focus on creating an inclusive environment in our workplace. During this period, we have also ensured that the valuable input from our staff continues to shape our initiatives, strategies, and future action plans.

We are incredibly proud to have been included in the **Times Top 50 Employers for Gender Equality** list for the fourth year running, in recognition of our continued commitment to taking action to achieve gender equality in the workplace.

Our **Gender Balance Employee Network** remains integral in driving positive change, bringing new ideas and innovative approaches in steering our people-focused agenda and objectives. In holding us actively accountable, they ensure that we continue to work diligently to accomplish a gender balance across all aspects of our business.

By maintaining transparency about the progress in our business, we acknowledge our strengths and areas for improvement. We're pleased to report that we've made significant progress with our action plan. Our commitment and focus remain on providing assistance, opportunities and support to individuals of all genders at every stage of their careers, encompassing both their personal and professional growth and development. Nevertheless, as we enter our seventh year of reporting, our Gender Pay Gap presents a mixed picture.

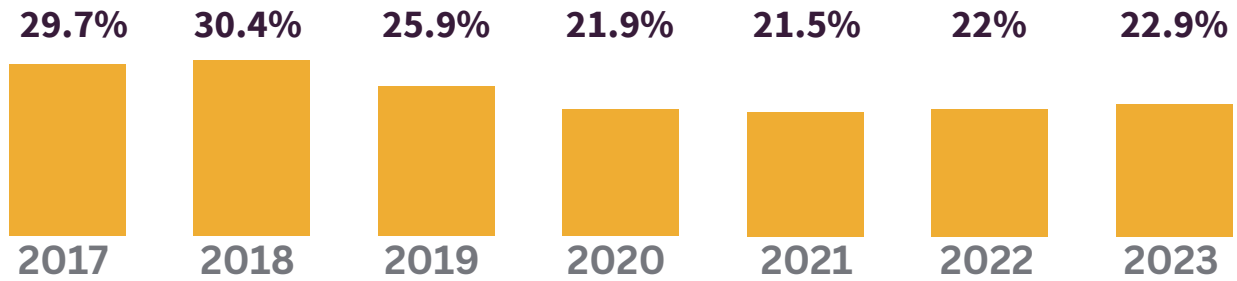
The median pay gap for our publishing division, Hachette UK Limited, has seen a reduction from last year, and now stands at **17%**. We have also made progress in increasing the representation of women in our senior roles, with **64.8%** in the upper quartile and **75.8%** in the upper middle quartile, compared to **56.6%** and **69.8%** respectively in our 2017 report. However, we are disappointed that our mean and median figures have risen across the Whole Group and in Distribution.

One of the biggest challenges we are facing is the under-representation of men in our lower pay quartiles. We have seen a further reduction in comparison to last year from **18.8%** to **15.6%** for our publishing division Hachette UK Limited and for the Whole Group from **32.5%** to **29.6%**. This change has notably influenced our pay gap figures.

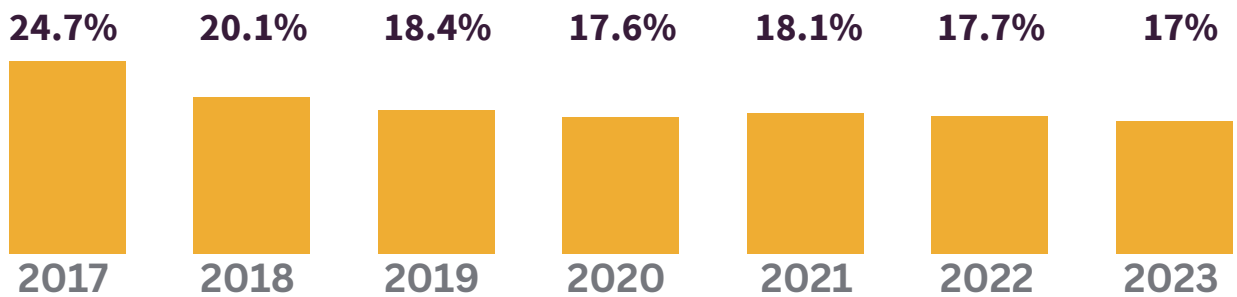
There is a higher percentage of women in our workforce, a trend often seen in our industry. However, the primary factor behind our gender pay gap is still chiefly driven by the higher proportion of women in our lower pay quartiles compared to men within the same quartile.

Our commitment to narrowing the gender pay gap and fostering inclusivity in our company culture is stronger than ever. We know there's more work to be done, which is why we have implemented specific actions to promote gender diversity across all areas of our business. Achieving a better balance between male and female representation in various roles throughout our organisation is essential to gradually reducing and ultimately erasing our pay gap.

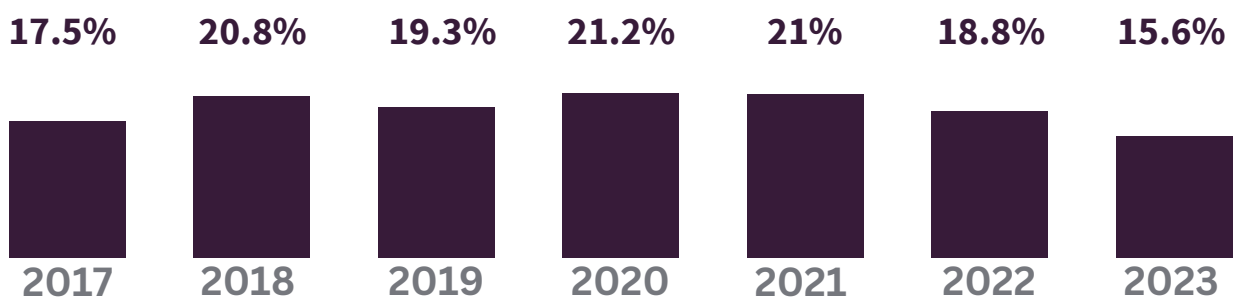
HACHETTE UK LTD MEAN PAY GAP



HACHETTE UK LTD MEDIAN PAY GAP



HACHETTE UK LTD PROPORTION OF MEN IN THE LOWER QUARTILES



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



Effective January 2024, Hachette UK has a Board of ten women and seven men.

WHAT IS A GENDER PAY GAP REPORT?

All companies in the UK (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 5 April 2023. 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.

We respect and appreciate the gender diversity of our employees and collect information on gender upon them joining the company based on what they choose to share with us. To comply with the gender pay gap reporting guidelines, we are required to report on the pay gap between men and women. However, we know that some people within our workforce are non-binary, transgender or gender diverse. We highly value the contribution of our non-binary and transgender staff and we want to ensure that our reporting is as accurate and inclusive as possible whilst also protecting the privacy of all our employees.

Due to the smaller number of transgender and non-binary staff within our workforce, reporting this data could pose a risk to the identity of those individuals and disclosure of personal information. That's why, for this report, and as outlined in the guidelines, we are focusing on the pay gap between men and women. We will expand the data on which we report when it is meaningful and can be done without compromising the privacy of our staff. We are always looking for ways to improve our reporting processes and practices and, in collaboration with our Pride Network, we'll continue to encourage and welcome feedback and suggestions from our employees.

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:

- Our publishing division, Hachette UK Limited, has seen progress with the median pay gap decreasing to 17%.
- Despite this the Whole Group's, mean and median gender pay gap increased this year. The mean is now 17.02% and the median is 7.98%.
- In Distribution, both mean and median gaps are in favour of men. While these results are not as we hoped, they emphasise the need to reinforce our efforts to close the gender pay gap.
- In 2023, the median bonus pay gap for the Whole Group shifted in favour of women to -2.07%.
- Additionally, the median bonus pay gap for Hachette UK Limited and Distribution improved from 2022 to 2023.
- The mean bonus pay gap increased slightly for the Whole Group and Hachette UK Limited, while Distribution witnessed a sharp rise in favour of men.
- One of the main reasons for this shift is the Distribution team is relatively small, so minor changes in the number of employees can affect the mean bonus pay gap more significantly. In our Distribution team, there is a higher proportion of women in the lower half of the business, where most of the growth has occurred, while the number of women in the upper quartile has decreased.
- For the Whole Group, the ongoing challenge of having fewer men in the lower quartiles of our organisation's structure remains the primary driver of our pay gap.
- Across the Whole Group, we've seen a further decline in the number of men occupying roles in the lower pay quartiles. This impacts the mean and median pay gaps due to having a relatively greater proportion of men in higher-paid roles, in contrast to the proportion of women employed in roles within the lower quartile.
- As we actively work to address the imbalance of our workforce, it's important to recognise that our pay gaps will vary from year to year as we continue to implement our long-term initiatives and action plans.

THE WOMEN/MEN

split of Hachette UK employees
(April 2023)

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 – everyone including Distribution	2023	2022
% Women	73.4%	71.9%
% Men	26.6%	28.1%

Hachette UK Ltd – publishing and Hachette functions	2023	2022
% Women	76.9%	75.6%
% Men	23.1%	24.4%

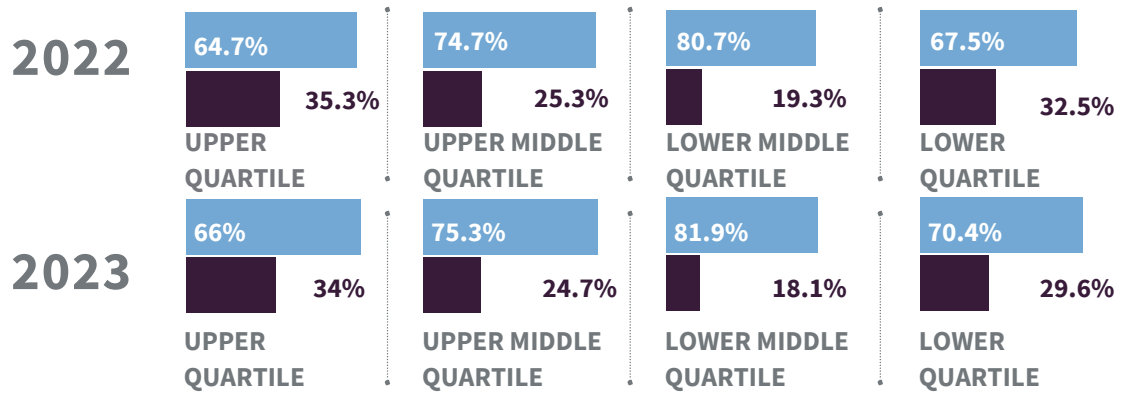
Distribution	2023	2022
% Women	54.7%	53.0%
% Men	45.3%	47.0%

PAY

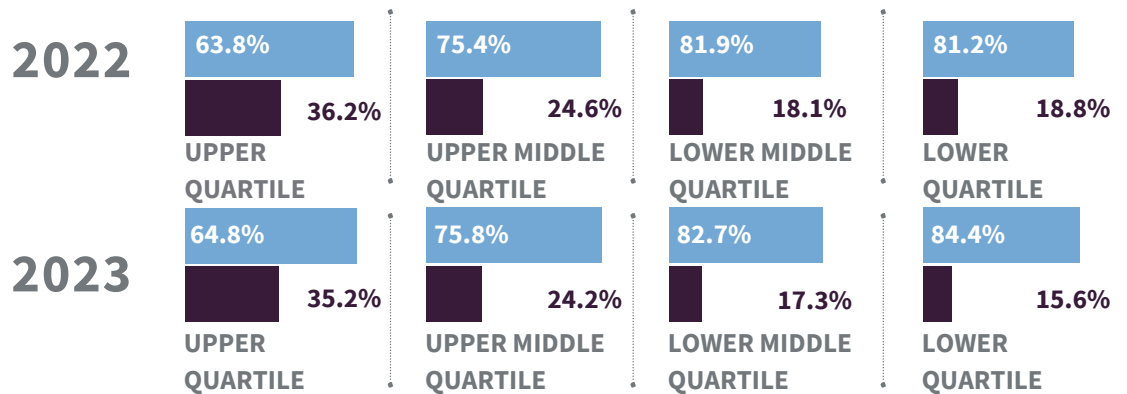
QUARTILES

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.

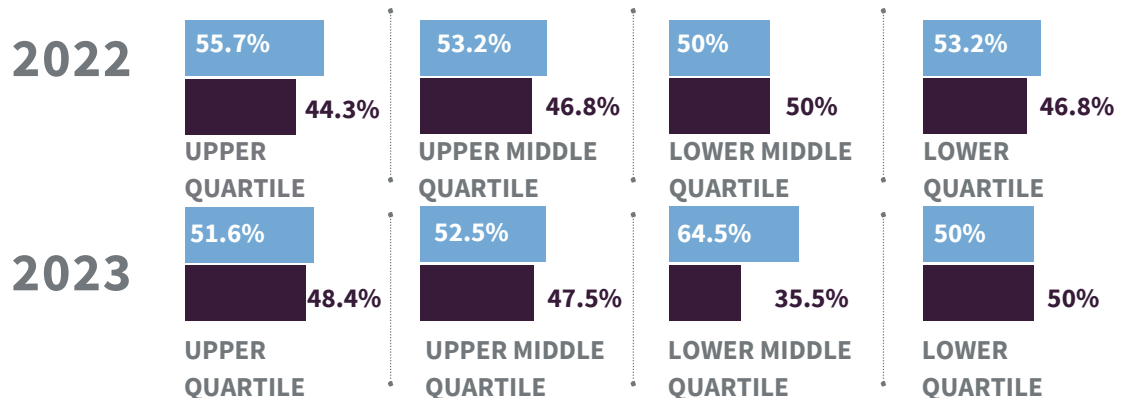
Whole Group – everyone including Distribution



Hachette UK Ltd – publishing and Hachette functions



Distribution



HOURLY PAY

Whole Group - everyone including Distribution	2023	2022
Mean gender pay gap	17.02%	14.5%
Median gender pay gap	8.0%	6.0%

Distribution	2023	2022
Mean gender pay gap	11.9%	2.5%
Median gender pay gap	3.4%	-0.5%

Hachette UK Ltd – publishing and Hachette functions	2023	2022
Mean gender pay gap	22.9%	22.0%
Median gender pay gap	17.0%	17.7%

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

The median is the difference between the midpoints of hourly rates of pay of **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	2023	2022
Mean gender pay gap	55.8%	51.6%
Median gender pay gap	-2.1%	1.1%

Distribution	2023	2022
Mean gender pay gap	37.2%	2.5%
Median gender pay gap	4.3%	12.3%

Hachette UK Ltd – publishing and Hachette functions	2023	2022
Mean gender pay gap	62.4%	59.4%
Median gender pay gap	14.8%	17.3%

WHO RECEIVED BONUS PAY?

Whole Group – everyone including Distribution	2023	2022
Proportion of women employees receiving a bonus	92.1%	90.4%
Proportion of men employees receiving a bonus	94.8%	90%

Distribution	2023	2022
Proportion of women employees receiving a bonus	98.1%	97.3%
Proportion of men employees receiving a bonus	97.3%	92.7%

Hachette UK Ltd – publishing and Hachette functions	2023	2022
Proportion of women employees receiving a bonus	91.2%	89.4%
Proportion of men employees receiving a bonus	93.6%	88.7%

ACTIONS TAKEN SINCE OUR LAST PAY GAP REPORT

RECRUITMENT



Leveraging technology, our Talent Acquisition team has made inclusive recruitment a top priority in our hiring process. We have implemented an advanced **applicant tracking system** (ATS) to streamline and optimise the hiring experience for our candidates. The ATS allows us to **analyse data and track gender representation** across recruitment stages. This strategic shift not only reshapes our hiring approach but also tackles the uneven distribution of men and women within our business. By using **talent pooling**, we are creating a more diverse candidate pipeline that promotes inclusivity using an intersectional approach.



Our collaboration with external partners also plays a crucial role in shaping how people view us as an employer. Showcasing our inclusive culture and initiatives on platforms such as our **Vercida Employer Profile** helps us connect with underrepresented communities, thereby drawing in a diverse range of talents. Tracking the impact of these initiatives enables us to fine-tune our approach through strategic partnerships and transparent communication.

PAY AND PROGRESSION



In 2023, we continued our **Pay & Progression panel events**, with our Gender Balance and THRIVE networks delivering an ongoing series of **cross-network career talks** and workshops covering various themes such as flexible working, career progression, and returning from parental leave. In addition, our learning and development team continued to run training for performance review preparation.

These sessions are designed to demystify the complexities of pay and progression, fostering an open dialogue within our workforce. Featuring speakers at senior manager level sharing their experiences, these discussions provide our staff with the tools to **confidently navigate pay and progression**.

RETENTION



We're streamlining our **exit interview process** to efficiently gather data and identify trends across the teams in our business. This will enable us to understand why employees leave, particularly men in the lower quartiles, and how we can make well-informed decisions to enhance their experiences. We recognise the importance of retaining and supporting our diverse talent, especially individuals from underrepresented groups who may face unique challenges. To empower and support these employees, we have established mentoring programmes. This includes our **Diverse Future Leaders** mentoring programme which provides individuals from underrepresented groups with the opportunity to be mentored by the Hachette UK Board.

ACTIONS TAKEN SINCE OUR LAST GENDER PAY GAP REPORT

REPRESENTATION



In October 2023, we successfully launched our second **Virtual Work Experience Programme**, which offered over 1000 students the opportunity to learn about the publishing industry. This programme, along with our annual **traineeship scheme**, is part of our ongoing commitment to making publishing more accessible and diverse. One of our key objectives of the programme is to address the gender imbalance in our business, with a particular focus on **increasing the representation of men at entry level**.



We're proud to share that **35%** of the Virtual Work Experience participants were men, with a high percentage of the students expressing that they were likely to consider a career in publishing after attending the work experience.

PAY AND TRANSPARENCY



We have an ongoing commitment to pay transparency and continue to publish our pay ranges every year. In January 2023, we had an **additional pay review** focused primarily on those whose salaries were in the lower quartiles. We also continue to offer pension **training** to enable our staff to make informed choices - by increasing awareness, we aspire to narrow the pension gap.

WORK LIFE BALANCE



Recognising that caregiving responsibilities tend to disproportionately affect women, our Gender Balance Network has undertaken various initiatives, emphasising the importance of flexible working to enable women to remain in work. This has included conducting a meeting audit to ensure that a 'meeting heavy culture' does not hinder flexible working. It has also included **advocating for affordable childcare** and, in collaboration with the Fawcett Society, organising an event to discuss how the publishing industry can better support its employees through **flexible work options, enhancing parental leave, and other childcare support policies**.

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.**

A handwritten signature in blue ink, appearing to read 'David Shelley'.

DAVID SHELLEY
Chief Executive Officer for Hachette Book Group and Hachette UK
February 2024