

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 recruit and retain the broadest and most diverse range of talented people that fully reflects our readers and the communities we serve.

At Hachette we are working hard to create a more inclusive and diverse environment for all our staff as well as ensuring publishing is accessible to everyone, whoever and wherever they are. We want to reach more consumers, now and in the future, therefore it is vital that we have a workforce that's truly representative of the world we live in. We remain committed to Changing the Story which, as one of our four strategic pillars, is underpinned by our Inclusion and Diversity Plan.

As signatories of Business in the Community's Race at Work Charter, this is the fourth year that we have voluntarily reported on our ethnicity pay gap. We continue to focus on embedding an inclusive culture and creating an environment where our people can thrive and succeed, whatever their background or whichever career stage they are at.

In 2019, in line with the Publishers Association Inclusivity Action Plan, we pledged a Black, Asian, Mixed Heritage and Minority Ethnic representation target of 15% of the total Group workforce within five years.

According to the data we hold for April 2022 across the whole Group, since 2018, representation has increased by 56%, from 7.7% to 12%.

Since we published our last report, across Hachette UK Ltd (our publishing divisions and central departments) this growth has remained static at just over 13%. For Hachette UK, given our mission and everything we, as a business and a community, are striving for, these latest figures do not reflect the rate of change we want to see represented in our workforce.

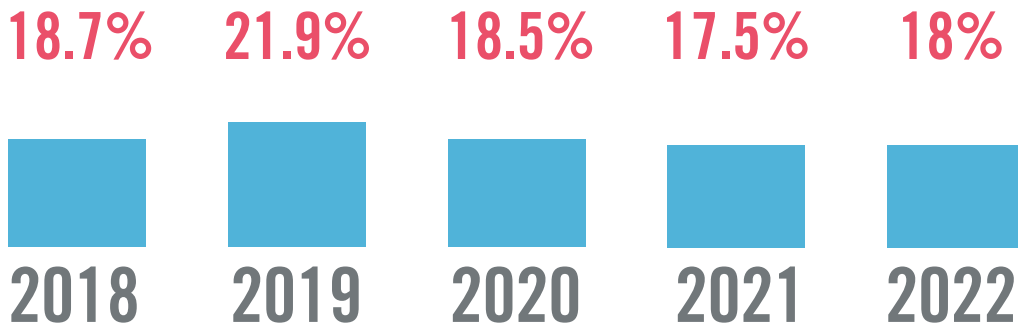
The figures we report today are based on 96.7% of our employees who shared their ethnicity details voluntarily. 3.3% of employees across the Group have either not disclosed or selected the 'prefer not to say' category. We understand that some colleagues may not feel comfortable sharing this information. We recognise we have work to do to continue to develop and create a safe environment where staff feel comfortable disclosing their diversity data, which will in turn ensure we have a true picture of our workforce.

To drive our progress on increasing representation and closing the ethnicity pay gap, in consultation with **THRIVE**, our Black, Asian, Mixed Heritage and Minority Ethnic employee network, we'll continue to accelerate our efforts to attract diverse talent whilst ensuring equal progression and the retention of minority ethnic staff. This includes strengthening our employer brand, outreach partnerships, recruitment policies, resourcing and further developing our pay transparency.

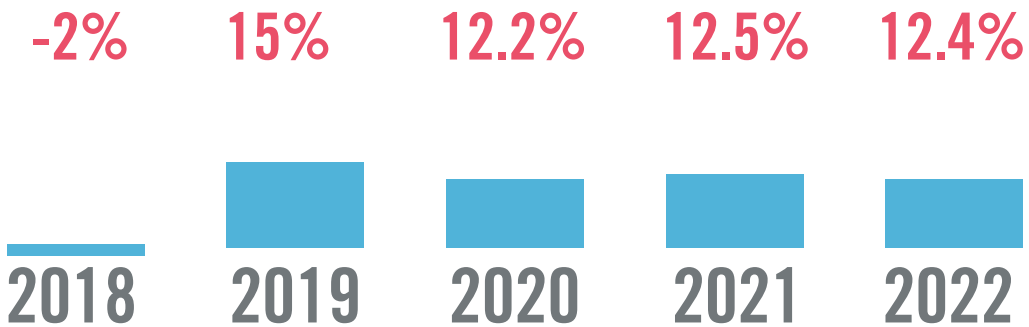
In addition to attracting talent, we are committed to creating a working environment that enables progression and retention. Along with pay transparency, policy and mentoring, we'll continue to offer effective training and education to increase awareness for all staff. We want all staff to understand that we are all actively accountable in the development of an inclusive, diverse workplace where there is meaningful and lasting change within our business and industry.

PROGRESS SINCE OUR FIRST REPORT

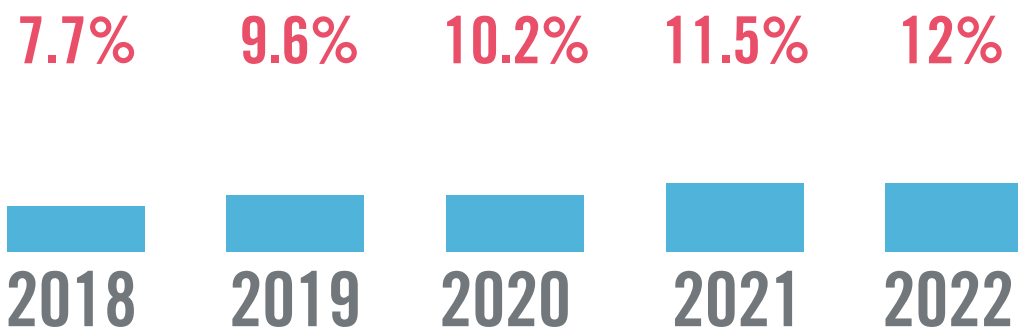
HACHETTE UK LTD MEAN PAY GAP

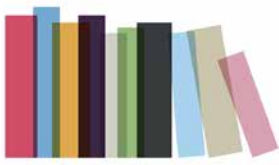


HACHETTE UK LTD MEDIAN PAY GAP



WHOLE GROUP EMPLOYEE REPRESENTATION





WHAT IS THE ETHNICITY PAY GAP REPORT?

We've been voluntarily publishing our Ethnicity Pay Gap Report since 2018. Unlike Gender Pay Gap reporting, there is no legal obligation to publish one on the ethnicity pay gap, but we choose to do so together with updated and re-evaluated action plans for transparency and to create a benchmark so that we can measure progress. For ease of understanding, we have decided to report in exactly the same way as we report our Gender Pay Gap. The figures given are for a snapshot date of 5 April 2022, taken at the same time as the latest Gender Pay Gap.

An ethnicity pay gap is the difference between the average earnings of all Black, Asian, Mixed Heritage and Minority Ethnic employees and the average earnings of all non-Black, Asian, Mixed Heritage and Minority Ethnic employees, expressed as a percentage of non-Black, Asian, Mixed Heritage and Minority Ethnic employees' earnings.

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 legally required to report our gender pay gap.

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 number of Black, Asian, Mixed Heritage and Minority Ethnic employees is low, and while representation is increasing year on year, a small number of jobs influences the pay figures disproportionately. The fluctuation in the pay gap figures is in line with what we would expect to see until more Black, Asian, Mixed Heritage and Minority Ethnic employees join the company and the statistics become more robust.



- The proportion of staff from Black, Asian, Mixed Heritage and Minority Ethnic backgrounds has **increased** across the Group.



- **Representation has improved** in the lower and upper middle quartiles of the Group, in the upper and lower middle quartiles of HUK Ltd, and in all quartiles of Distribution.



- The mean pay gap figures have increased since 2021 but the median **has improved with a 0.1% decrease for Hachette UK Ltd** and a **1.1% decrease for the Whole Group**.



- The fluctuations in the pay gap for Distribution reflect the relatively low representation. We know that our ethnicity pay gap figures will become more meaningful only when there is a good level of representation of Black, Asian, Mixed Heritage and Minority Ethnic staff.



- Representation across our publishing roles and senior management remains low but is improving. There are now **two Black, Asian, Mixed Heritage and Minority Ethnic members of the Hachette UK Board**, which will be reflected in next year's report.



- The mean and median **bonus gaps are moving in the right direction** and have improved from 2021 to 2022 for Hachette UK Ltd and for the Whole Group. Fluctuations in Distribution again reflect the relatively low – but improving – levels of representation.

THE SPLIT OF HACHETTE UK EMPLOYEES (APRIL 2022)

The Black, Asian, Mixed Heritage and Minority Ethnic population in England and Wales is 18.3% and 46.2% in London as per the 2021 census. For [NI](#) and [Scotland](#) data please click the links.

These figures do not include employees on reduced pay – for example, maternity pay, sick pay and unpaid leave.

Whole Group - everyone including Distribution	2022	2021
Total number of employees	1,552	1,594
% of employees from Black, Asian, Mixed Heritage and Minority Ethnic backgrounds	12%	11.5%
Hachette UK Ltd - publishing and Hachette functions	2022	2021
Total number of employees	1,302	1,311
% of employees from Black, Asian, Mixed Heritage and Minority Ethnic backgrounds	13.2%	13.3%
Distribution	2022	2021
Total number of employees	247	253
% of employees from Black, Asian, Mixed Heritage and Minority Ethnic backgrounds	5.7%	2.4%

PAY QUANTILES

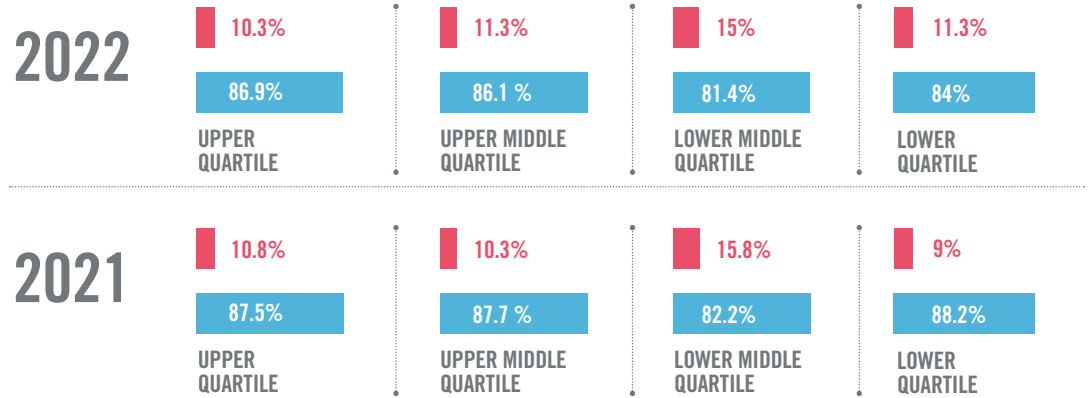
This is the percentage of Black, Asian, Mixed Heritage and Minority Ethnic and non-Black, Asian, Mixed Heritage and Minority Ethnic employees in four quartiles, calculated by ranking employees from the highest paid to the lowest paid and dividing our workforce into four equal parts.

In some cases the figures add up to less than 100%. This is because a very small number of employees chose not to disclose their ethnicity.

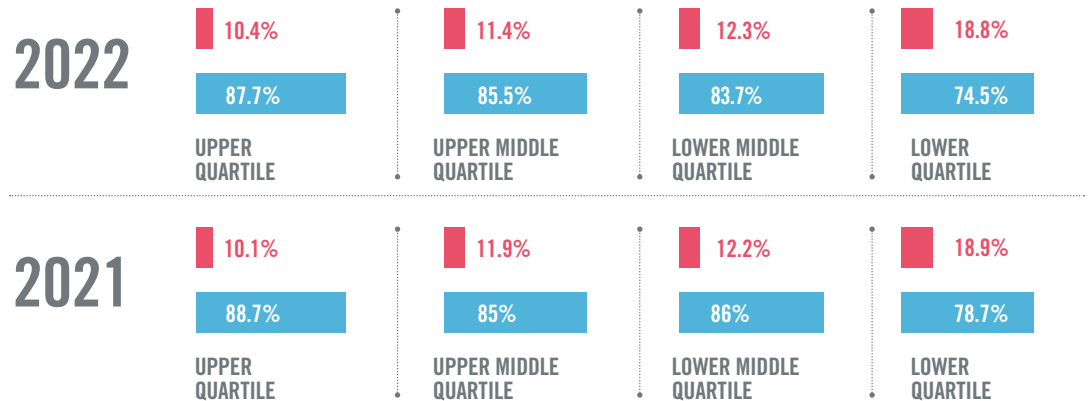
 Proportion Black, Asian, Mixed Heritage and Minority Ethnic

 Proportion non-Black, Asian, Mixed Heritage and Minority Ethnic

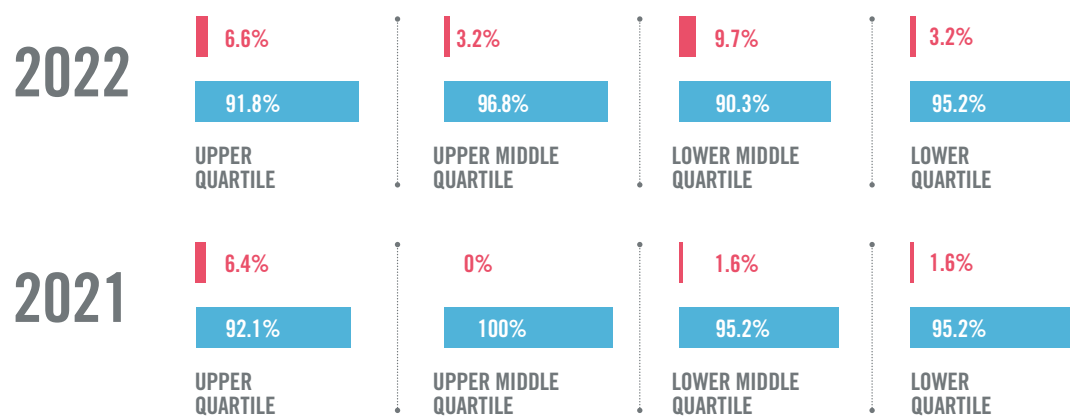
Whole Group – everyone including Distribution



Hachette UK Ltd – publishing and Hachette functions



Distribution



HOURLY PAY

Whole Group – everyone including Distribution	2022	2021
Mean ethnicity pay gap	13.7%	11.7%
Median ethnicity pay gap	4.2%	5.3%

Distribution	2022	2021
Mean ethnicity pay gap	10%	0.1%
Median ethnicity pay gap	3%	-23.1%

Hachette UK Ltd – publishing and Hachette functions	2022	2021
Mean ethnicity pay gap	18%	17.5%
Median ethnicity pay gap	12.4%	12.5%

The mean is the difference between average hourly rates of pay of **Black, Asian, Mixed Heritage and Minority Ethnic** and **non-Black, Asian, Mixed Heritage and Minority Ethnic** employees.

The median is the difference between the midpoints of hourly rates of pay of **Black, Asian, Mixed Heritage and Minority Ethnic** and **non-Black, Asian, Mixed Heritage and Minority Ethnic** 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	2022	2021
Mean ethnicity pay gap	53.1%	56.4%
Median ethnicity pay gap	5.5%	7%

Distribution	2022	2021
Mean ethnicity pay gap	42.6%	17.3%
Median ethnicity pay gap	23%	-24.4%

Hachette UK Ltd – publishing and Hachette functions	2022	2021
Mean ethnicity pay gap	57.5%	61.8%
Median ethnicity pay gap	16.1%	16.8%

The mean ethnicity bonus gap is the difference in average bonus pay that **Black, Asian, Mixed Heritage and Minority Ethnic** and **non-Black, Asian, Mixed Heritage and Minority Ethnic** employees receive.

The median ethnicity bonus gap is the difference between the midpoints of the ranges of bonus pay received by **Black, Asian, Mixed Heritage and Minority Ethnic** and **non-Black, Asian, Mixed Heritage and Minority Ethnic** employees.

WHO RECEIVED BONUS PAY?

Whole Group – everyone including Distribution	2022	2021
Proportion of Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	85.3%	89.8%
Proportion of non-Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	92%	93.4%

Hachette UK Ltd – publishing and Hachette functions	2022	2021
Proportion of Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	85.7%	89.2%
Proportion of non-Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	91%	92.5%

Distribution	2022	2021
Proportion of Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	80%	100%
Proportion of non-Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	95.9%	96.7%

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, as well as employees joining the company in 2022 and therefore not receiving a bonus yet.

ACTIONS TAKEN SINCE OUR LAST PAY GAP REPORT

We heard directly from our staff in a series of workshops and meetings to discuss the ethnicity pay gap and how we can address the low representation of people of colour throughout our business. The key themes and feedback arising from these discussions have been used to inform our live action plan.



RECRUITMENT

Inclusive recruitment is firmly at the forefront of our hiring process and is key to driving our diversity and addressing the imbalances we currently have within our business. To address this, our new **Talent Acquisition** team have implemented a Recruitment Policy outlining a focused strategy for approaching the job market and building proactive external partnerships. The policy is designed to attract candidates with different backgrounds and perspectives, creating an inclusive candidate experience which ensures that diversity and inclusion is embedded in our approach.



We also engaged with a **new recruitment partner**, Vercida, a careers platform with a strong commitment to diversity and identifying the most suitable candidates from diverse pools. All our roles are advertised with Vercida.



We continue to deliver **unconscious bias training to all staff**. Our intention is to mandate that all staff attend every two years to help everyone recognise and understand the actions they can take personally to address unconscious bias, and to reduce the impact this may have in their decision making and interactions with others.



In December 2022, we launched our **new Hachette website**, allowing us to redefine our employer brand, to better promote publishing as an industry that is accessible to all, to dispel myths about publishing and to encourage the next generation who will feed our talent pipeline.



In October 2022, we worked with Creative Access to welcome our fifth cohort of **publishing trainees** from backgrounds under-represented in our industry. For the second year running our Traineeship programme included external placements with Waterstones and Curtis Brown to ensure our trainees get a holistic understanding of the publishing industry.

We have remained signatories of the **Business in the Community Race at Work Charter**.



This year we renewed our commitment to the Publishing Association's (PA) industry-wide **Inclusivity Action Plan**. We have pledged to undertake the 10-step actions highlighted in the plan to include, completing the PA's workforce survey once every two years and considering representation beyond employees, to include supply chain data collection.



PROGRESSION

We have continued to support our colleagues in their career aspirations through our **mentoring** programmes. The purpose of our programmes has been to connect colleagues from all levels of the organisation and enable them to share knowledge and experience. Our four different mentoring programmes are available for all colleagues across Hachette during the year.



In January we received the highest number of applications for our **Diverse Future Leaders Programme**. This is a Hachette UK mentoring scheme that aims to give people from under-represented groups access to a Board member to help accelerate their development and career progression through mentoring. Since its inception to date, there have been 77 mentoring partnerships with Board-level mentors.



Our employee network THRIVE has continued to provide a collaborative safe space for its members as well as taking actions to encourage progression and foster an environment where people of colour can see their value through lunchtime **leadership sessions, mentoring circles and buddies** for new starters at all levels.

ACTIONS TAKEN SINCE OUR LAST PAY GAP REPORT



It is imperative that the books we publish best reflect our society, and that our editors are empowered and equipped with the skills and knowledge to recognise and ensure that the content we produce is inclusive. In support of this aim we delivered the **Talking about Race Workshop** focused on racism and language. A total of 120 staff attended the three-hour workshop run during 2022 and the feedback received was very positive.



All staff are required to set an annual **goal aimed at supporting Hachette's mission to increase diversity** as part of their performance review. New for 2022-23 is an additional resource that provides ideas that will have an impact and create individual accountability towards action. This came into effect on 1 January 2023 and initial indications show that the appraisal conversation is allowing space and conversations about backgrounds, personal values and how employees individually want to progress their careers.



PAY TRANSPARENCY

In collaboration with our THRIVE and Gender Balance Networks, and ahead of our end of year performance reviews, we successfully delivered a **Demystifying Pay** workshop with our senior leaders talking about their careers and pay progression, including negotiating pay. Topics covered included how the pay bands are set, how they can be used to ensure an equitable and consistent approach to setting pay and how to put together an effective business case to advocate for a promotion or receive a pay rise.



To address the cost-of-living crisis and how we can better support our employees, we made a non-consolidated **cost-of-living-payment** to all Hachette employees over a period of five months. We reviewed our starting salaries across the business in response to changes in the market, to ensure we remained competitive, to retain and attract the very best people, and to drive business growth. In addition, we invested in those already in our business as we carried out a tapering exercise to ensure that the percentage increase rolled out beyond our entry-level roles.



To further support our employees, their wellbeing and work-life balance, we reviewed our **holiday entitlement** and increased this to 28 days per year with further increases to 30 days after completion of five years' service.



INCREASING REPRESENTATION AND OUTREACH

To celebrate Black History Month, THRIVE organised a networking event with the Black Writers Guild for Black publishing professionals and also welcomed their second cohort of 10 authors for **Grow Your Story 2022** – a writers' development programme for emerging writers of a Black, Asian, Mixed Heritage and Minority Ethnic background, including a showcase event and open day.

In 2022, **The Future Bookshelf** evolved to become the home for all Hachette UK's Diversity and Inclusion creative writing programmes. We held a series of varied projects across the course of the year including Modern Stories, Space to Write, the Mo Siewcharran Prize and the JKP Writing Prize, all of which offered new mentoring opportunities and provided skills and support to aspiring writers from under-represented backgrounds.



We launched a **Virtual Work Experience Programme** for 1,000 students aged 16 to 18 across the UK in February 2022. The programme was in partnership with Springpod who helped us to market the opportunity to schools. The programme was attended by over 40% of students from Black and Minority Ethnic backgrounds.

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,
Hachette UK

February 2023