

Gender Pay Gap Report 2023

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.

Since publishing our first Gender Pay Gap Report, we have challenged ourselves and worked hard to ensure that our policies are inclusive and that publishing is as accessible as possible, focusing our efforts to attract, recruit, develop, promote, retain and support our female talent and leaders at all life stages.

We were honoured to have been included in The Times Top 50 Employers for Women listing in 2020, 2021 and 2022, the most widely respected award for employers committed to achieving gender equality.

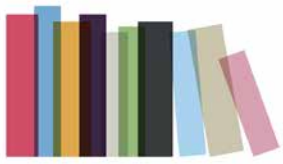
Our **Gender Balance Network** continues to grow, bringing together the most passionate people to promote equity for all genders in our business. We know that gender balance at all levels is key to closing our gender pay gap and that is why, in close collaboration with our Gender Balance Network, we have maintained our focus on equal progression and senior appointments, whilst also addressing the unequal gender balance in our junior and lower-paid roles. Part-time and flexible working are also key additional areas of focus for us, including providing an ever-increasing transparency around pay.

The median pay gap figures across Hachette UK Ltd and Distribution are slightly improved, however we have seen a slight increase in both mean and median pay gaps across the Group. The low proportion of men in entry-level positions together with a relatively high proportion of men at senior levels in higher-paid roles continues to have a significant impact on these numbers.

Having a predominantly female workforce in relation to the men that fall within our lower pay quartiles also heavily influences the mean and median hourly rate of pay for women. A more balanced distribution of men and women at all levels of the organisation will be needed to narrow and ultimately eliminate the gap.

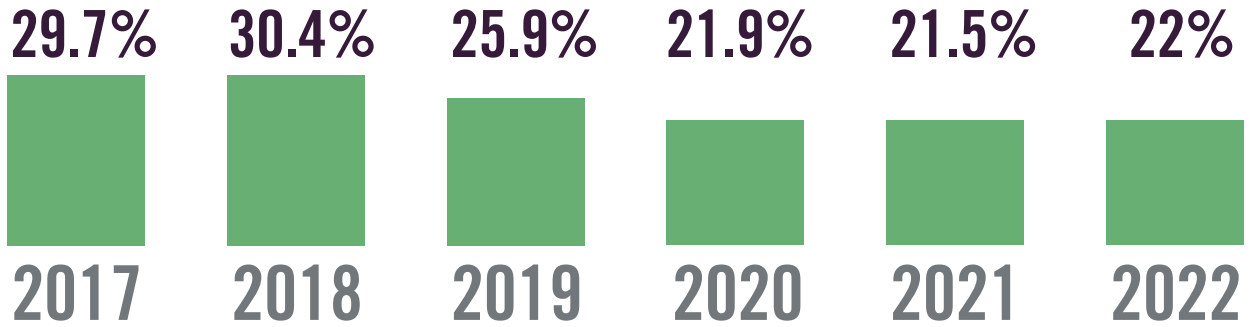
While it is frustrating that change is not happening more rapidly, we have seen the proportion of women in the top pay quartile increase to 64.7% across the Group, which is our highest proportion since 2017. This is reflected in our Board composition which has progressed from being one third women to nearly 60% women – signalling that women are starting to benefit from the policies, recruitment and progression opportunities we offer.

Reducing our gender pay gap is part of an ongoing process, and we recognise that we still have more work to do. We understand why we have a gender pay gap, we remain committed to proactive strategies which will reduce our gap, and we will continue to evaluate the impact of our actions to adjust, as well as identify new priorities that will result in positive change.

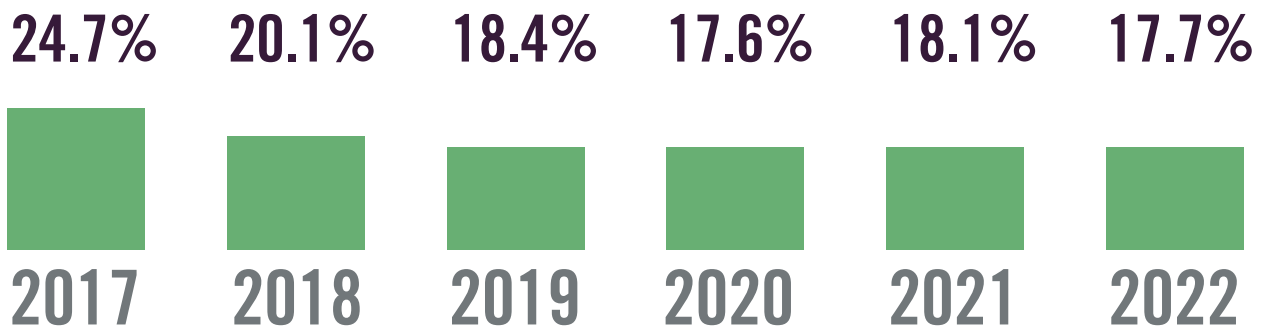


PROGRESS SINCE OUR **FIRST REPORT**

HACHETTE UK LTD MEAN PAY GAP



HACHETTE UK LTD MEDIAN PAY GAP



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



Effective January 2023, Hachette UK will have a Board of **ten women** and **seven men**.

WHAT IS A GENDER PAY GAP REPORT?

All companies in 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 2022. 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:

Since 2022, the **median pay gap is moving in the right direction** for Hachette UK Ltd and Distribution, but with a very slight upward fluctuation of less than half a percentage point for the Group between 2021 and 2022. There has been a slight increase in the **mean pay gap figures** to 22% for Hachette UK Ltd and to 14.5% for the Group.

The Distribution figures show a median gap in favour of women, with a small mean gap in favour of men. However, in Distribution both mean and median bonus pay gaps have shifted in favour of men. For both Hachette UK Ltd and the Whole Group, our **mean bonus pay gaps have reduced** between 2021 and 2022.

In 2021, the bonus pay gap was significantly impacted by exceptional performance-related bonuses, including three-year Long Term Incentive Plan (LTIP) payments. Without these payments, the bonus pay gap for 2022 has improved and we are confident this will continue, particularly as Hachette **Board representation has increased in favour**

of women. Furthermore, the pay gaps are affected by salary sacrifice which is not included in the figures as these arrangements are excluded from an employee's base pay for the purposes of gender pay gap reporting. This reporting requirement can affect the gender pay gap data depending on the proportion of women and men who have salary sacrifice arrangements in place.

Having fewer men in the lower quartiles of the organisation creates an imbalance in the structure of our workforce, and is a key reason for our pay gap. The number of men in the lower pay quartile has fallen across the Group, and 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 females employed in roles within the lower quartile.

Whilst we address this imbalance, we acknowledge that the pay gaps will fluctuate year-on-year as we evolve and implement our long-term initiatives and action plans.

THE WOMEN / MEN

split of Hachette UK employees (April 2022)

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	2022	2021
% Women	71.9%	70.6%
% Men	28.1%	29.4%

Hachette UK Ltd – publishing and Hachette functions	2022	2021
% Women	75.6%	74.6%
% Men	24.4%	25.4%

Distribution	2022	2021
% Women	53.0%	49.0%
% Men	47.0%	51.0%

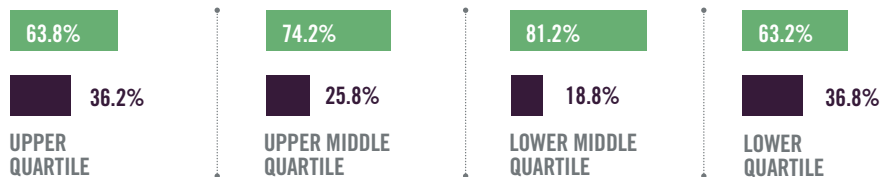
PAY QUANTILES

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.

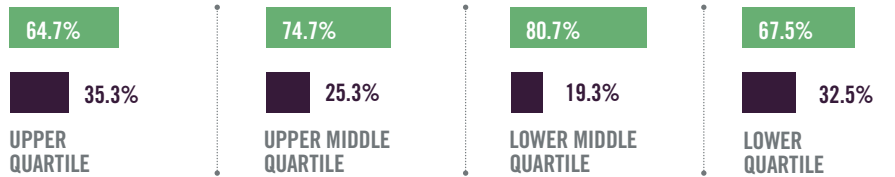


Whole Group – everyone including Distribution

2021

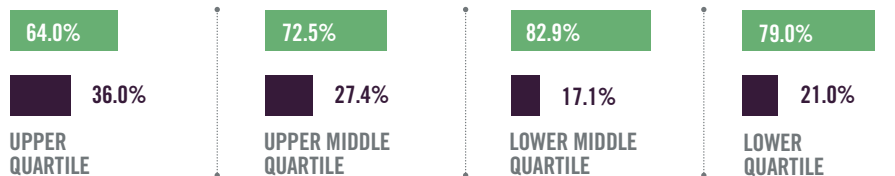


2022

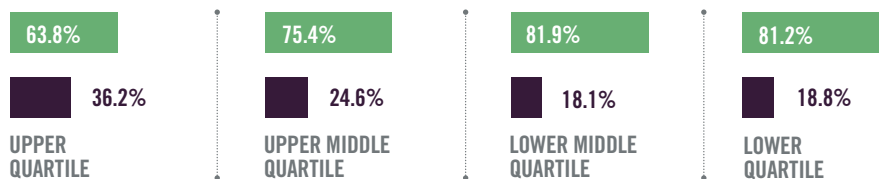


Hachette UK Ltd – publishing and Hachette functions

2021

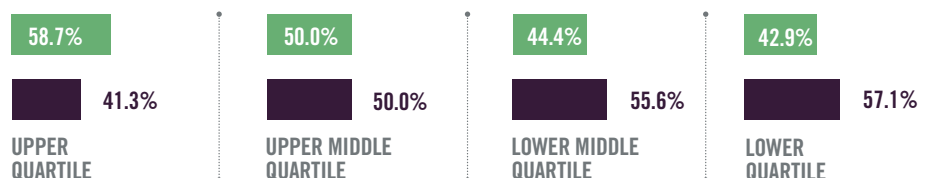


2022

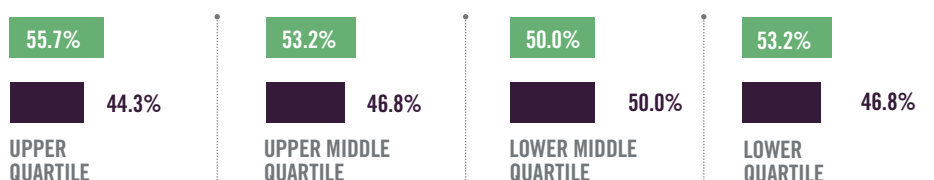


Distribution

2021



2022



HOURLY PAY

Whole Group – everyone including Distribution	2022	2021
Mean gender pay gap	14.5%	13.3%
Median gender pay gap	6.0%	5.6%

Distribution	2022	2021
Mean gender pay gap	2.5%	2.9%
Median gender pay gap	-0.5%	-3.1%

Hachette UK Ltd – publishing and Hachette functions	2022	2021
Mean gender pay gap	22.0%	21.5%
Median gender pay gap	17.7%	18.1%

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	2022	2021
Mean gender pay gap	51.6%	65.6%
Median gender pay gap	1.1%	0.5%

Distribution	2022	2021
Mean gender pay gap	2.5%	-17.5%
Median gender pay gap	12.3%	-17.3%

Hachette UK Ltd – publishing and Hachette functions	2022	2021
Mean gender pay gap	59.4%	71.7%
Median gender pay gap	17.3%	18.3%

The mean gender bonus gap is the difference between 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 (89% 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	2022	2021
Proportion of women employees receiving a bonus	90.4%	92.8%
Proportion of men employees receiving a bonus	90.0%	91.9%

Distribution	2022	2021
Proportion of women employees receiving a bonus	97.3%	96.4%
Proportion of men employees receiving a bonus	92.7%	97.2%

Hachette UK Ltd – publishing and Hachette functions	2022	2021
Proportion of women employees receiving a bonus	89.4%	91.8%
Proportion of men employees receiving a bonus	88.7%	90.4%

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.

ACTIONS TAKEN SINCE OUR LAST PAY GAP REPORT

RECRUITMENT



Inclusive recruitment is firmly at the forefront of our hiring process – it is key in driving our gender diversity and addressing the imbalances we currently have within our business. In 2022, our new **Talent Acquisition** team implemented a Recruitment Policy, outlining a focused strategy for approaching the job market and building proactive external partnerships.



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, including attracting women in more senior positions, and men at entry level. All our roles are advertised with Vercida, and we will continue to work towards achieving our goal of a more balanced distribution of men and women throughout our organisation.



We've continued to deliver **unconscious bias training to all staff**, which includes race and gender, 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. Our intention is to mandate that all staff attend every two years.



We recognise that early engagement outreach also has the potential to impact the reduction in our gender pay gap and, in December 2022, we launched **our new Hachette website**. This allowed us to redefine our employer brand and better promote publishing as an industry that is accessible to all by dispelling myths about the sector and encouraging the next generation who will feed our talent pipeline.



In October 2022, we also 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, which aims to ensure each trainee gains a holistic understanding of the publishing industry.



PROGRESSION

We have continued supporting our colleagues in their career aspirations through our **mentoring** programmes. The purpose of these initiatives 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 the business during the year.



In January, we received the highest number of applications for our **Diverse Future Leaders Programme**. This is a 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.

ACTIONS TAKEN SINCE OUR LAST GENDER PAY GAP REPORT



PAY TRANSPARENCY

Ahead of our end of year performance reviews, we collaborated with our Gender Balance and THRIVE networks to successfully deliver a 'Demystifying pay workshop', with our senior leaders talking about their careers and pay progression, including negotiating pay.

We annually monitor pay and **contribute to an industry salary survey** published each year and our performance review forms include a **space for employees to discuss pay and progression**.



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 employees over a period of five months. We also reviewed our starting salaries across the business in response to changes in the market. This was 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 by carrying out a tapering exercise which ensured that the percentage increase rolled out beyond our entry-level roles.

PROGRESSIVE POLICIES



Together with our Gender Balance Network and Working Families Group, we introduced a new and **improved Flexible Working Policy**, which includes guidelines for managers on how to provide greater support to both colleagues and their line managers.

Our Gender Balance Network hosted an internal panel event with colleagues which explored a range of experiences on working patterns. This included discussions around flexible hours, part-time working, job shares, returning to full-time from part-time, making a request for flexible working, and managing an employee on flexible hours.



We also have our **parental mentoring and buddying** programme, which offers support to colleagues of any gender who are about to go on, are on, or are returning from any kind of parental leave.

In May 2022, with input from our employee networks, we launched our **Menopause Policy** to raise awareness and understanding of the menopause and how it can impact people in the workplace. The document offers practical guidance on the resources available to employees and line managers who may be experiencing the menopause, or those who wish to support someone that is.

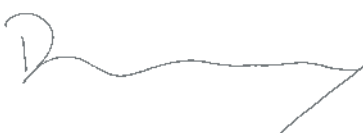


In October 2022, we introduced our **Pregnancy and Baby Loss Policy** to support anyone going through, or who has been affected by, pregnancy or baby loss. This included guidelines for our managers to enable them to provide effective management and support.

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 black ink, appearing to be 'David Shelley'.

DAVID SHELLEY
Chief Executive Officer,
Hachette UK
March 2023