



Gender Pay Gap Report 2020

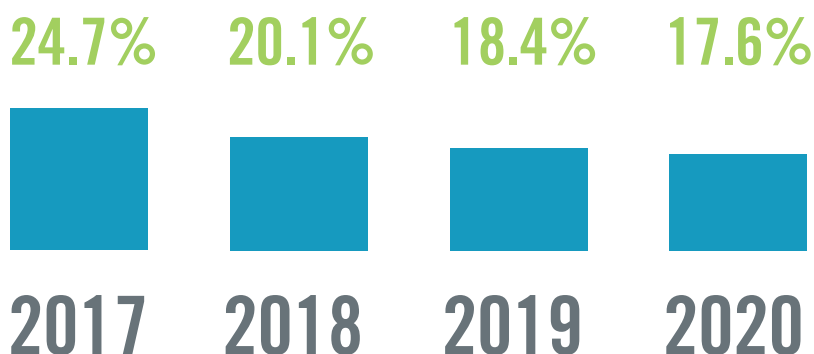
OUR MISSION is to make it easy for everyone, everywhere to unlock new worlds of ideas, learning, entertainment and opportunity. To achieve this, we want to attract and retain talent that is fully reflective of the world we live in, and to become the employer and publisher of choice for *everyone*.

Our 2020 figures reflect the journey we have been on in the last four years to create greater gender balance across our workforce, and the distance we still need to go to improve representation. We have continued to consult actively with our colleagues through workshops and discussions, and work in close collaboration with our employee-led Gender Balance Network towards our shared mission.

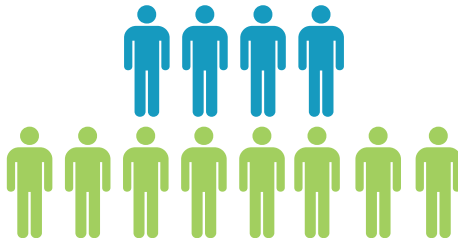
In 2017, we pledged that the 66% of the company comprised of women at the time be reflected in the top pay quartile by 2020. This is a target that, as of the April 2020 snapshot date, we are very close to achieving at 65%. This is an increase of 6 percentage points from our first gender pay gap report.

Across this time period, our Board composition has changed from being one third women to a Board in favour of women, effective July 2020. Our median pay gap for Hachette UK Ltd has decreased by 7.1 percentage points over the last four years. We are pleased to report movement in the right direction and remain committed to positive cultural change.

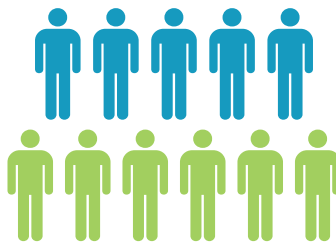
HACHETTE UK LTD MEDIAN PAY GAP



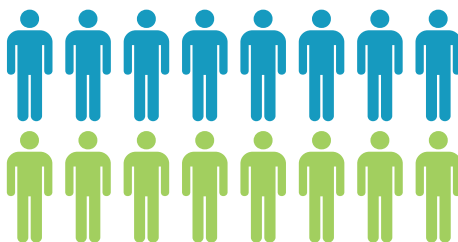
CHANGES TO OUR BOARD



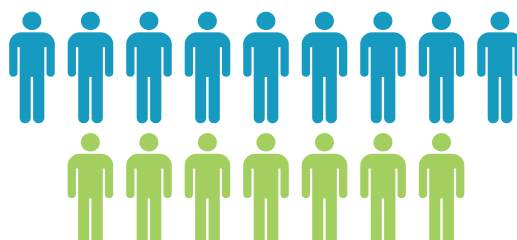
When we published our first Gender Pay Gap Report, the Hachette UK Board was comprised of **four women** and **eight men**.



The Hachette UK Board was comprised of **five women** and **six men** on the snapshot of our last Gender Pay Gap report.



At the April 2020 snapshot, the Hachette UK Board had an equal gender balance of **eight women** and **eight men**.



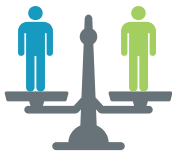
Effective July 2020, Hachette UK has attained a Board composition in favour of women – **seven men** and **nine women**.

MILESTONES AND MORE TO COME



THE TIMES TOP 50 EMPLOYERS FOR WOMEN

We were honoured to be included in The Times Top 50 Employers for Women 2020, the longest-running and most widely respected award for employers committed to achieving gender equality. We were commended for equalising shared parental leave, our approach to pay transparency and our commitment to flexible working, which includes waiving the six-month statutory period before applying for flexible working.



PARTNERING WITH OUR GENDER BALANCE NETWORK

Our Gender Balance Network was awarded a prestigious Employers Network for Equality and Inclusion (enei) Award 2020 for Employee Network Group of the Year (Private Sector), in recognition of its successful 2019 campaign towards equalising shared parental leave, and its ongoing work on our gender pay gap agenda.



RADICAL TRANSPARENCY

2020 marked the third annual publication of our pay ranges. We increased the cap from salaries to £60,000 per annum up to £80,000, extended the scope of our roles to include IT and Distribution, and went a step further to introduce bonus transparency. This has included communicating openly to our people on the types of jobs and salary ranges in which stretch bonuses apply, what employees are bonused on, and how this can be achieved. Our radical transparency agenda is a direct result of employee feedback and workshops.



LOOKING FORWARD

Across our Whole Group, representation of men in our lower quartile has decreased year-on-year since 2017 by 11 percentage points. We are conscious of the need to maintain focus on equal progression and appointments to our senior roles, whilst also addressing the unequal gender balance in our entry-level roles. We recognise this as an industry-wide issue and we will explore ways to ensure we are an attractive employer for men at all levels of our business in order to achieve the parity we want to see.

WHAT IS THE 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 5 April 2020. 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 the 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 over 40 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 and women. At Hachette UK, we are using the gender provided by each member of staff and if someone is non-binary, they are excluded from the data. We respect the gender identity of all our employees, and believe everyone should have the freedom to express their gender.

Whole Group and Hachette UK Ltd in context

Hachette UK consists of a number of employment entities of which only Hachette UK Ltd employs over 250 people and it is therefore the only entity for which we are legally required to report. However, for reasons of transparency and to give an accurate picture of the whole company, we choose to report on the Whole Group as well. We believe this gives a true reflection of our business. For this reason, there are two sets of figures in this report.

Hachette UK Ltd, the legal entity, includes nearly all employees of our publishing divisions. Therefore, the difference between the two entities is almost entirely accounted for by the addition of employees working in our distribution business, who are included only in the figures for the Whole Group.

The key numbers explained:

- We have continued to increase the percentage of women in the upper quartile pay range of our business, but we have also continued to reduce the overall percentage of men in the business so that the effect of this increase in higher paid women is not decreasing the gender pay gap as much as expected.
- Of the men that work across the company (Whole Group), 53.3% are in the upper half of the pay range and this has increased from 52.8% last year. This has meant that the median bonus and pay paid to men comes from the upper middle quartile, whilst the median for women is coming from the lower middle quartile and is driving the increase in the median pay gap variances.

THE WOMEN / MEN

split of Hachette UK employees (April 2020)

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	2020	2019
% Women	71%	69%
% Men	29%	31%

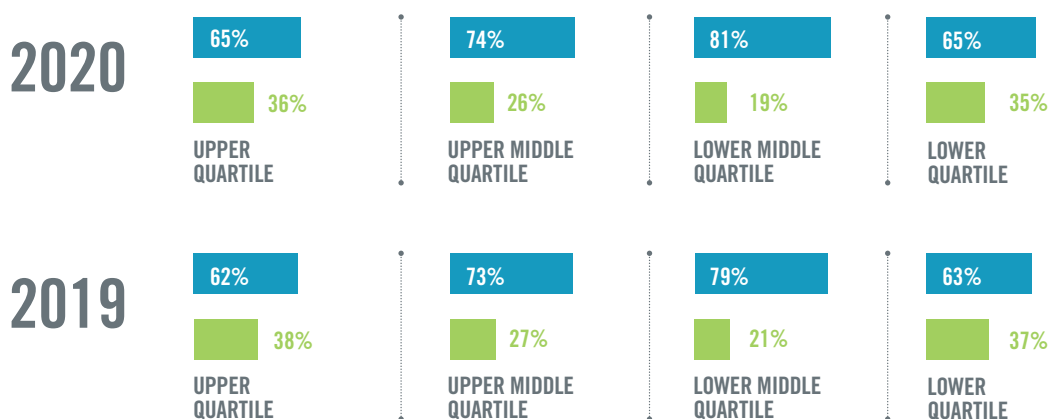
Hachette UK Ltd - publishing and Hachette functions	2020	2019
% Women	75%	74%
% Men	25%	26%

PAY QUANTILES

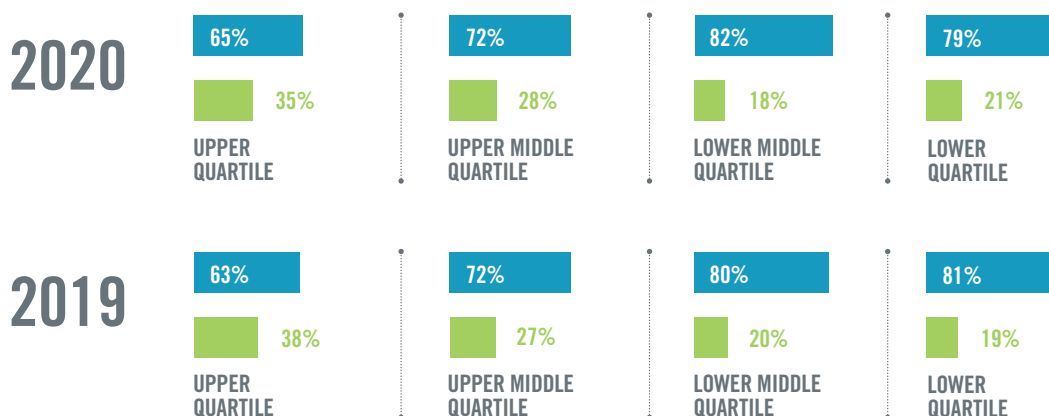
This is the percentage of women and men employees in four quartiles, calculated by ranking employees from the highest paid to the lowest paid and dividing our workforce into four equal parts.



Whole Group - everyone including Distribution



Hachette UK Ltd - publishing and Hachette functions



HOURLY PAY

Whole Group - everyone including Distribution	2020	2019	Hachette UK Ltd - publishing and Hachette functions	2020	2019
Mean gender pay gap	13.8%	15.5%	Mean gender pay gap	21.9%	25.9%
Median gender pay gap	6.7%	5.5%	Median gender pay gap	17.6%	18.4%

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	2020	2019	Hachette UK Ltd - publishing and Hachette functions	2020	2019
Mean gender pay gap	53.9%	62.7%	Mean gender pay gap	60.6%	68.0%
Median gender pay gap	8.2%	3.8%	Median gender pay gap	20.7%	23.3%

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	2020	2019	Hachette UK Ltd - publishing and Hachette functions	2020	2019
Proportion of women employees receiving a bonus	94.3%	89.8%	Proportion of women employees receiving a bonus	94.6%	91.3%
Proportion of men employees receiving a bonus	93.6%	84.7%	Proportion of men employees receiving a bonus	96.2%	91.9%

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

January 2021