

# hachette

## UK Gender Pay Gap Report 2019

**OUR MISSION** is to make it easy for everyone, everywhere to access new worlds – of learning, of entertainment and of 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 publisher of choice for *everyone*.

Since the publication of our 2017 and 2018 Gender Pay Gap reports we have been working hard – in consultation with our Gender Balance Network and all employees through many workshops, events and meetings – to devise and commit to actions with the aim of eliminating our Gender Pay Gap. We are pleased that our 2019 report shows that, while we still have a long way to go, we are moving in the right direction.

In 2017, we pledged that the then 66% female make-up of the company would be reflected in the top pay quartile by 2020, and we are on course to achieve this. In 2019, 62% of employees in the top pay quartile of the Hachette UK Group are women. Our collaborative approach on actions has led to real, positive change for employees.

The Gender Balance Network considers parenting and caring responsibilities to be a fundamental part of the Gender Pay Gap, and this year we announced several changes to our policies and practices which we hope will have a positive impact in years to come.

We have equalised Shared Parental Leave pay for all parents at Hachette who choose to opt in to the system. This means that both parents are entitled to take 20 weeks of leave, for which they will be fully paid, at any point in the 37-week eligibility period (and can take up to 50 weeks of leave in total).

We have enhanced our approach to flexible working whereby all roles are flexible by default and are open to part-time working, job sharing, flexible hours and in the majority of cases, a blend of office and home working. We have waived the statutory six-month waiting period before employees can apply for flexible working, and they can do so from day one.

We held a Flexible Fortnight trial in January 2019 in which 175 employees participated and we were shortlisted for the Working Mums Innovation in Flexible Working award.

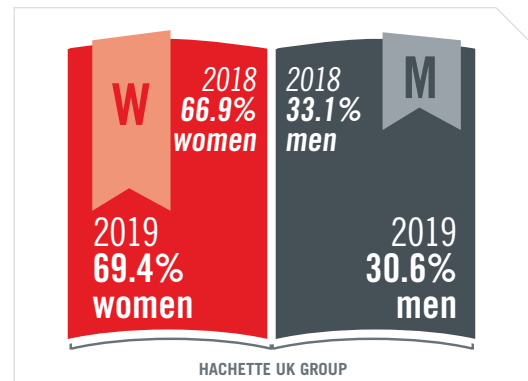
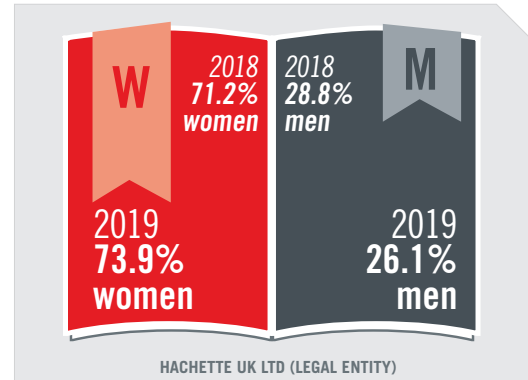
We will continue our commitment to pay transparency by including salary details on job adverts and publishing pay ranges for all publishing job families.

We have held budget seminars designed to equip employees with the skills needed for progression.

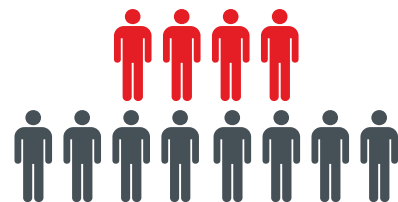
In 2020, working with the Gender Balance Network, we will build on our programme of actions including broadening our recruitment practices and introducing a new Respect & Inclusion policy and training. We continue to review our senior leadership structure and make-up. We will hold Gender Pay Gap workshops for all employees which will inform our action plans.

We would like to make it clear that the government requires us to publish a Gender Pay Gap Report that allows companies to classify employees only as male or female. At Hachette, we respect the gender identity of all of our employees, and for everyone to have the freedom to express their gender in their own unique and personal way.

### The female/male split of Hachette UK employees on the snapshot date of 5 April 2019



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.



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 date of 5 April 2019.



From January 2020, the Hachette UK Board will have an equal gender balance of **eight women** and eight men.

## These are the figures we are required to report on under the regulations

### HOURLY RATE

Women's hourly rate is:

2019: **18.4% lower** (median)  
2018: **20.1% lower** (median)

2019: **25.9% lower** (mean)  
2018: **30.4% lower** (mean)

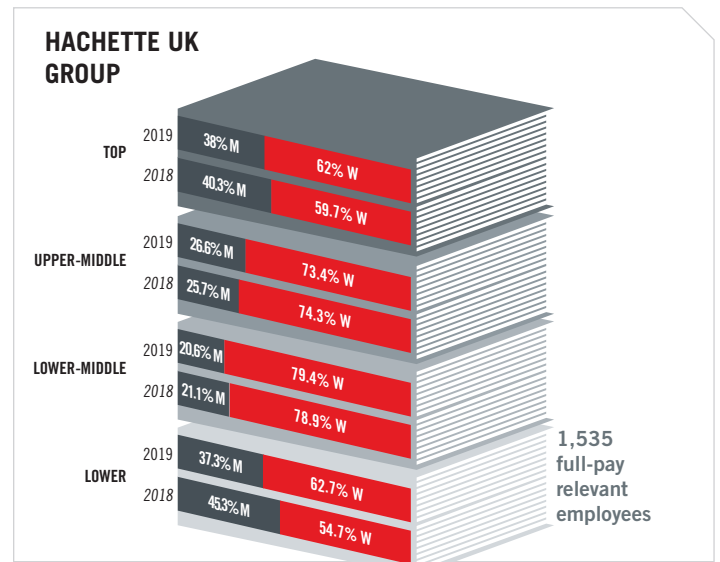
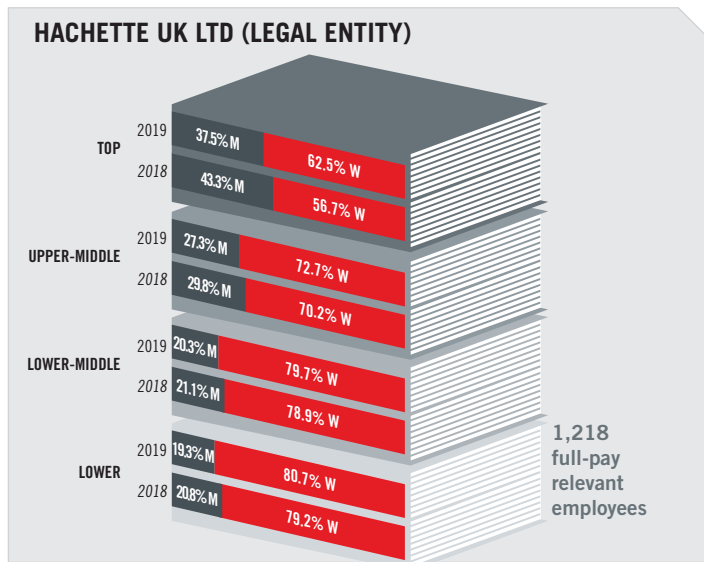
2019: **5.5% lower** (median)  
2018: **0.6% higher** (median)

2019: **15.5% lower** (mean)  
2018: **17.8% lower** (mean)

HACHETTE UK LTD (LEGAL ENTITY)

HACHETTE UK GROUP

### PAY QUANTILES



### BONUS PAY

Women's bonus pay is:

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.

2019: **23.3% lower** (median)  
2018: **28.5% lower** (median)

2019: **68.0% lower** (mean)  
2018: **71.9% lower** (mean)

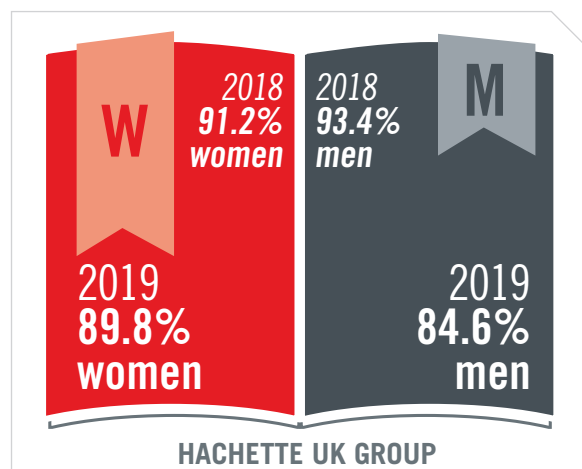
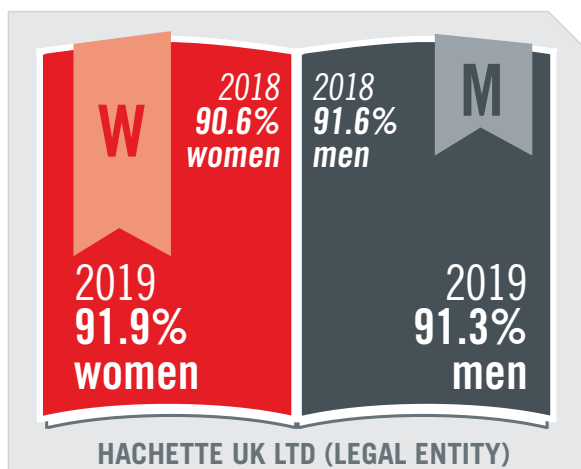
2019: **3.8% lower** (median)  
2018: **0.8% higher** (median)

2019: **62.7% lower** (mean)  
2018: **62.2% lower** (mean)

HACHETTE UK LTD (LEGAL ENTITY)

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### WHO RECEIVED BONUS PAY?



### DECLARATION

We confirm that the information and data reported are accurate and in line with the UK government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

DAVID SHELLEY  
Chief Executive Officer,  
26 November 2019

## 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 2019.

## Hachette UK Ltd and the Hachette UK Group in context

Hachette UK consists of a number of employment entities of which only Hachette UK (the legal entity) employs over 250 people. We are, therefore, only legally required to report on this entity but for reasons of transparency and to give an accurate picture of the whole company we choose to report on the Hachette UK Group as well. We believe this gives a true reflection of our business.

Due to some changes in our legal structure during 2019, Hachette UK Ltd, the legal entity, now includes nearly all employees of our publishing divisions. Divisions now included in HUK Ltd but not in 2018 are: Bookouture; Little, Brown; Octopus; Orion and Quercus. 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 HUK Group.

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## Some of the key numbers explained

### HACHETTE UK LTD (legal reporting entity)

MEDIAN GENDER PAY GAP FOR 2019 IS  
18.4% (2018: 20.1%)  
THE MEDIAN BONUS GENDER PAY GAP IS  
23.3% (2018: 28.5%)

**The improvement on 2018 is explained by an increase in the number of women in the upper and middle pay quartiles, but remains high because of:**

- The higher number of men in very senior roles in the company.
- The low – and falling – number of men in the lowest pay quartile.
- The higher proportion of women in the lower middle and lower pay quartiles, which continues to increase year-on-year.
- The bonus pay gap being based on actual payments, and not reflecting the higher number of women working part-time.

### HACHETTE UK GROUP (the whole company)

MEDIAN GENDER PAY GAP FOR 2019 IS  
5.5% (2018 -0.6%)  
MEDIAN BONUS GENDER PAY GAP  
3.8% (2018 -0.8%)

**The negative change compared to 2018 is largely due to the change in the makeup of the workforce in distribution as a result of the opening of the Hely Hutchinson Centre.**

During 2018 we saw a large number of lower-paid men leave the company due to changes in our distribution business. That dramatic shift (moving from a 45:55 split to a 37:63 split of men:women in the lower quartile for the HUK Group) has not been offset by the increase in the proportion of women in the upper quartile.

This shift affects the median pay and bonus figures in particular. Moreover, we did not see the progression in the mean bonus gap as we did in the mean pay gap due to payment of Long Term Incentive (LTI) bonuses in this period.

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# EXPLANATION OF GENDER PAY GAP TERMINOLOGY

## What is the Gender Pay Gap?

Companies who employ 250 people or more are now required by law to publish their gender pay gap and their bonus gender pay gap.

We calculate and publish two sets of gender pay gap figures.

Hachette is legally obliged to report only for Hachette UK Ltd, which is the only entity employing more than 250 people. This consists of our publishing divisions and group functions.

For the purposes of transparency and to give a picture of the whole of Hachette, we also publish figures for the Hachette UK Group, which includes our distribution business.

A gender pay gap does not indicate an equal pay problem. There is a difference between the gender pay gap and equality pay for men and women which was first brought into line with the 1970 Equal Pay Act.

## Gender Pay Gap

The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings. It is calculated using the hourly rate of pay for all employees employed on the 'snapshot date' of 5 April 2019 – excluding any employees on reduced pay (e.g. statutory maternity pay, statutory sick pay or unpaid leave).

## Equal Pay

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 Mean Gender Pay Gap

The mean gender pay gap is the difference in average hourly rates of pay that male and female employees receive. This gives an overall indication of the gender pay gap by adding together all the hourly rates of pay for men and for women and dividing by the total number of male and female employees respectively. This shows the difference between the average earning of men and women, expressed as a percentage relative to men's earnings.

## The Median Gender Pay Gap

The median gender pay gap shows the difference in the midpoints of the ranges of hourly rates of pay for men and women. The median 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. The median therefore avoids potential 'skewing' influence of numbers at either extreme.

## Pay Quartiles

This is the percentage of male and female employees in four quartiles, calculated by ranking employees from the highest paid to the lowest paid and dividing our workforce into four equal parts called, according to government guidelines, upper, upper-middle, lower-middle and lower pay quartiles.

## Bonus Gender Pay Gap

To calculate the bonus gender pay gap, the legislation requires companies to use the actual value of the bonuses paid to people during the 12 months leading up to 5 April 2019. The reporting structure makes no allowance for the fact that people working part-time will be paid (pro rata) relatively smaller bonuses.

## The Mean Bonus Gap

The mean gender bonus gap is the difference in average bonus pay that male and female employees receive.

## The Median Bonus Gap

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

## Long Term Incentive (LTI) bonuses

These are bonuses paid to a small number of senior executives for achieving performance targets over a long term period (typically three years).

