

Ethnicity 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.

This report signifies our **sixth** year of voluntarily sharing our ethnicity pay gap, which enables us to be transparent about the diversity of our workforce. This includes tackling any potential barriers that may affect the pay and progression of our staff.

We are committed to promoting an inclusive environment and, ultimately, this report is an essential tool in identifying where our efforts will have the greatest impact in driving sustainable change in the diversity of our organisation and holding us accountable for achieving our goals.

Our primary focus is to foster a culture of inclusion where everyone feels welcome and valued, not only within our company but also across our industry. We are proud to say that we've been signatories to the **Business in the Community Race at Work Charter** for five years now and, during this time, we have made significant progress. However, we acknowledge that there is still more we need to do to fully reflect our communities and wider society. We understand this is a challenging and complex process requiring time and patience. By joining the charter, we publicly commit to continuing our journey of taking action and driving change for a more equitable and representative workplace.

In 2018, we made a pledge to increase our representation of Black, Asian, Mixed Heritage and Minority Ethnic employees within our workforce to **15%** within five years. In 2023, we achieved **14.7%**, of full-pay staff within Hachette UK Ltd (**14.9%** if we include all staff – some of whom may have had reduced pay in the month of the snapshot date and aren't included in the pay calculations). We know that if we want to realise our ambition to continue driving diversity in our editorial decision-making and creating books to reflect our broader society, we need to continue to challenge ourselves in striving to increase representation at all levels of our business.

Through our collaborative efforts with our Black, Asian, Mixed Heritage and Minority Ethnic employee network, **THRIVE**, and the impact of our Changing the Story initiatives, representation within all pay quartiles continues to improve for the Group. Whilst it is important to recognise this positive step, we acknowledge our journey is ongoing and have therefore reviewed our representation targets and made a further pledge to build upon our commitment. In line with the **Publishers Association 2023 Inclusivity Action Plan**, we will continue working towards increasing the representation of individuals from Black, Asian, Mixed Heritage and Minority Ethnic backgrounds within our workforce. Our target is to achieve a representation of **18.3%** within three years and become more reflective of the UK population by 2026.

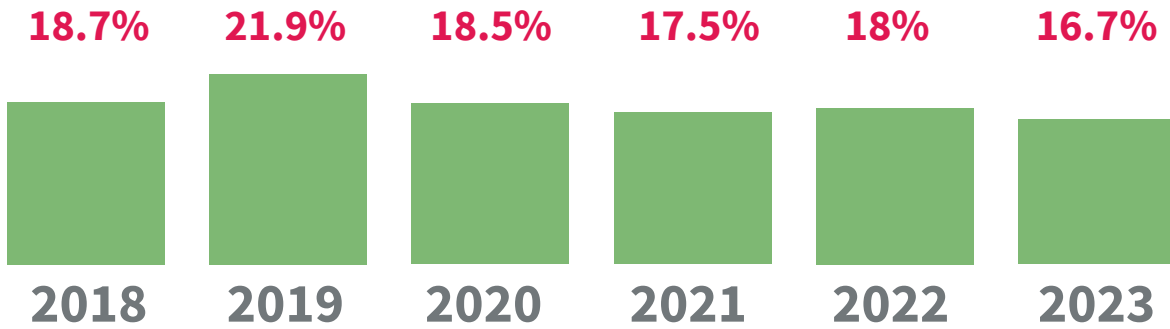
Currently, **96.4%** of our staff have voluntarily chosen to share their ethnicity data with us. This means that 3.6% of our employees have either chosen not to disclose or selected the 'prefer not to say' option. To increase our disclosure rate, we will work on cultivating a safe environment where all colleagues will feel encouraged to share their ethnicity data with us.

Reporting on our pay gap alone is not enough to create a significant change. Our ethnicity pay gap exists because of the imbalance of Black, Asian, Mixed Heritage and Minority Ethnic employees at different levels of our business. We're dedicated to enhancing the experiences and representation of our minority ethnic colleagues and maintaining a focus on inclusion for all employees.

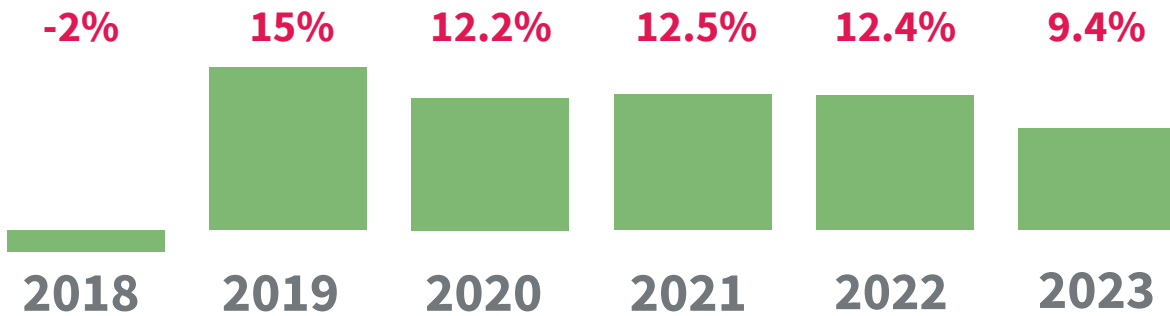
Supporting the career development of our Black, Asian, Mixed Heritage and Minority Ethnic colleagues, which includes outreach to the broader community, plays a vital role in our plan to reduce our pay gaps over time and eliminate any barriers that hinder inclusion and entry. We know that increasing ethnic minority representation, particularly in leadership roles, will take time. It requires us to focus on attracting and retaining top talent and offering a clear pathway for those who aspire to leadership roles while providing the support, skills, and confidence they need to succeed.

PROGRESS SINCE OUR FIRST REPORT

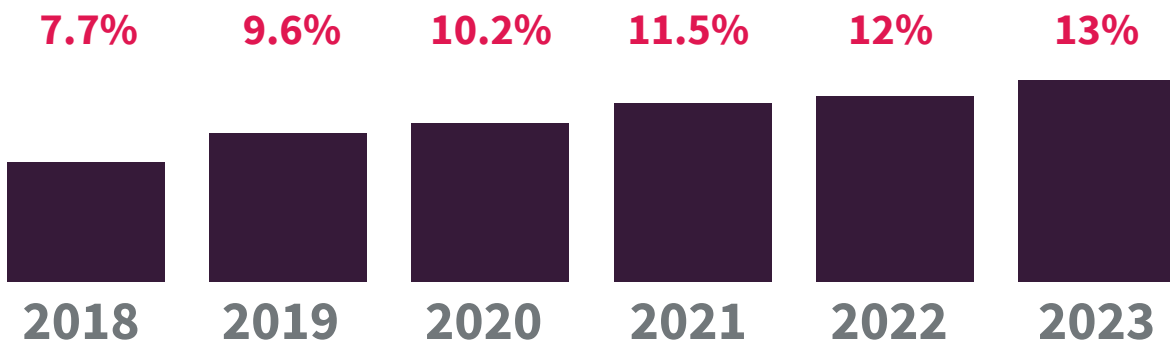
HACHETTE UK LTD MEAN PAY GAP



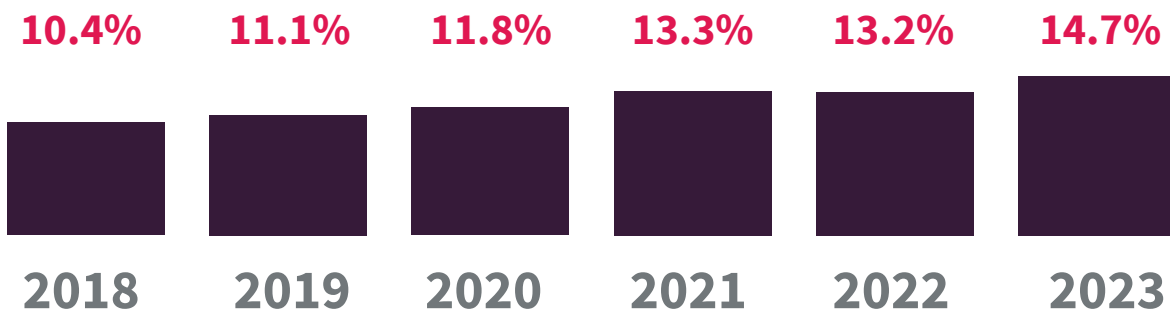
HACHETTE UK LTD MEDIAN PAY GAP



WHOLE GROUP EMPLOYEE REPRESENTATION



HACHETTE UK LTD 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 an 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 2023, 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:



- Encouragingly, we have seen an **increase in the proportion of staff from Black, Asian, Mixed Heritage and Minority Ethnic backgrounds** across the Whole Group, signifying the positive impact of our initiatives.



- Across the Whole Group, **representation has increased in all quartiles**, including our publishing division (Hachette UK Ltd), except for a slight decrease in the lower middle quartile, within our Publishing division (HUK Ltd).



- At Hachette UK Ltd, both the mean and median pay gap figures have narrowed with a decrease of **1.3% and 3%**, respectively.



- For the Whole Group the mean pay gap is moving in the right direction with a decrease of **1.5%**, while the median saw a very slight increase of **0.1%**.



- There continues to be fluctuations in the pay gap for the Distribution side of our business, which reflects the **relatively low representation within this staff population**. We acknowledge that our ethnicity pay gap data will become more meaningful when the representation of Black, Asian, Mixed Heritage and Minority Ethnic staff increases.

THE SPLIT OF HACHETTE UK EMPLOYEES (APRIL 2023)

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	2023	2022
Total number of employees	1,587	1,552
% of employees from Black, Asian, Mixed Heritage and Minority Ethnic backgrounds	13%	12%


Hachette UK Ltd - publishing and Hachette functions	2023	2022
Total number of employees	1,339	1,302
% of employees from Black, Asian, Mixed Heritage and Minority Ethnic backgrounds	14.7%	13.2%

Distribution	2023	2022
Total number of employees	247	247
% of employees from Black, Asian, Mixed Heritage and Minority Ethnic backgrounds	4.0%	5.7%

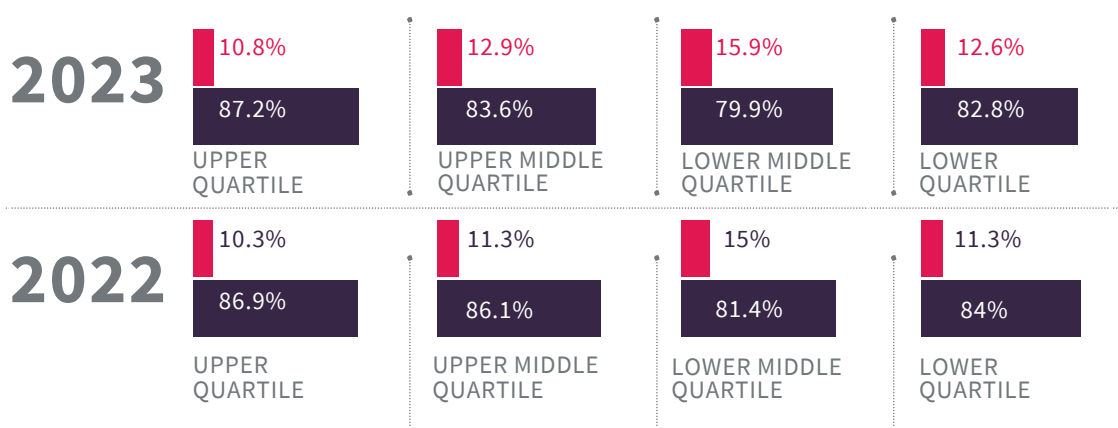
PAY QUARTILES

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.

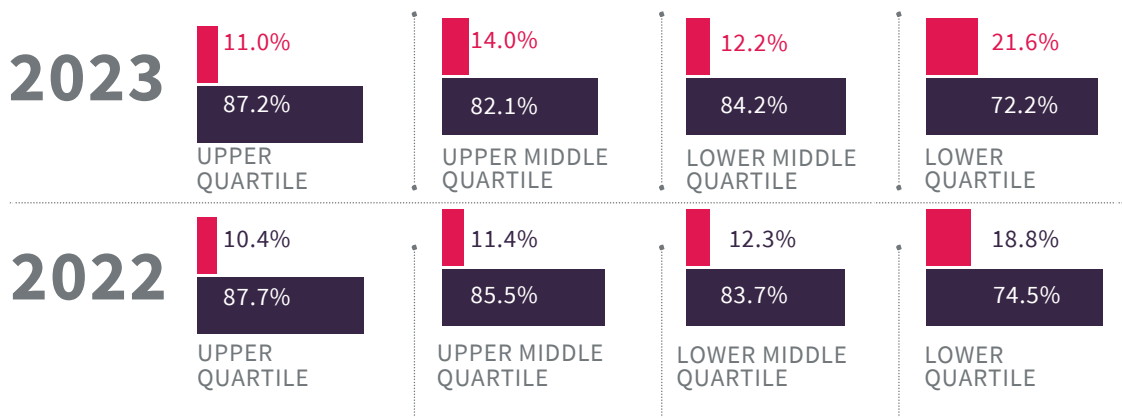
 Proportion of Black, Asian, Mixed Heritage and Minority Ethnic

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

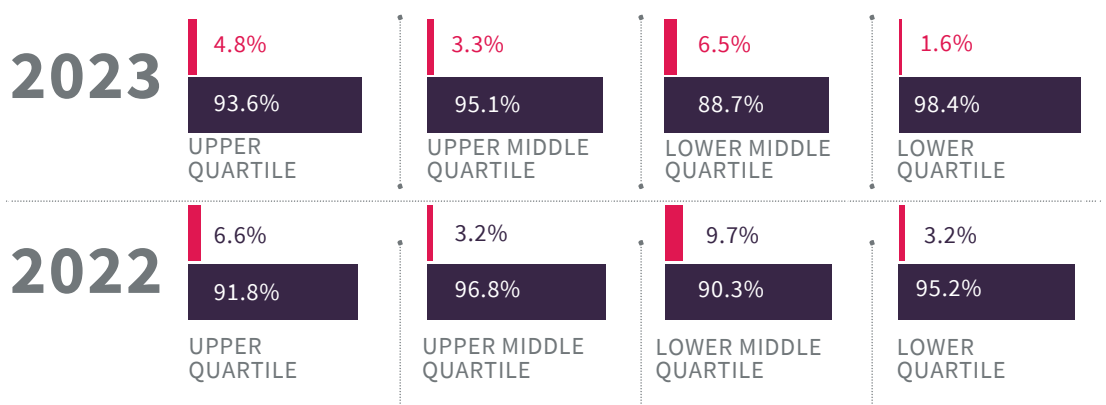
Whole Group – everyone including Distribution



Hachette UK Ltd - publishing and Hachette functions



Distribution



HOURLY PAY

Whole Group – everyone including Distribution	2023	2022
Mean ethnicity pay gap	12.2%	13.7%
Median ethnicity pay gap	4.3%	4.2%

Distribution	2023	2022
Mean ethnicity pay gap	15.5%	10%
Median ethnicity pay gap	-1.1%	3%

Hachette UK Ltd – publishing and Hachette functions	2023	2022
Mean ethnicity pay gap	16.7%	18%
Median ethnicity pay gap	9.4%	12.4%

BONUS PAY

Whole Group – everyone including Distribution	2023	2022
Mean ethnicity pay gap	60.7%	53.1%
Median ethnicity pay gap	9.0%	5.5%

Distribution	2023	2022
Mean ethnicity pay gap	60.4%	42.6%
Median ethnicity pay gap	5.8%	23%

Hachette UK Ltd – publishing and Hachette functions	2023	2022
Mean ethnicity pay gap	63.6%	57.5%
Median ethnicity pay gap	19.4%	16.1%

WHO RECEIVED BONUS PAY?

Whole Group – everyone including Distribution	2023	2022
Proportion of Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	90.4%	85.3%
Proportion of non-Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	93.8%	92.0%

Hachette UK Ltd – publishing and Hachette functions	2023	2022
Proportion of Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	90.5%	85.7%
Proportion of non-Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	92.7%	91.0%

Distribution	2023	2022
Proportion of Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	88.9%	80%
Proportion of non-Black, Asian, Mixed Heritage and Minority Ethnic employees receiving a bonus	98.2%	95.9%

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, as well as employees joining the company in 2023 and therefore not receiving a bonus yet.

ACTIONS TAKEN SINCE OUR LAST PAY GAP REPORT

RECRUITMENT



Inclusive recruitment plays a pivotal role in our hiring process, serving as a key driver for enhancing diversity and addressing the imbalances we currently have within our business. Working with our Talent Acquisition Team and recruitment partners, we have continued to **build our employer brand** and showcase our inclusive culture through external communications, such as **showcasing our D&I initiatives, HR policies and tracking our impact and progress**.



In December 2023, we implemented a new **Applicant Tracking System (ATS)** to streamline the recruitment process, ensure a better candidate experience, improve candidate relationship management, and promote collaborative hiring. In addition to this, we have delivered **workshops and management training** on recruitment best practices, providing hiring managers with comprehensive knowledge and an understanding of the recruitment process and key factors that contribute to a fair, diverse, and successful hiring campaign.



Our THRIVE network **connects with industry specific networks and groups**, such as the Black Agents and Editors' Group (BAE) and East and Southeast Asian Publishing Network (ESEA), providing invaluable cultural insights that help us to tailor our outreach strategies and policies. From refining our candidate attraction, to offering internal buddying schemes, careers talks, and promoting psychological safety. These initiatives enrich our recruitment efforts and create a more inclusive environment, where candidates and employees can feel valued, supported, connected and empowered.

RETENTION



In collaboration with our THRIVE Network and Britain's East and South East Asian Network (besea.n), we delivered an **Active Bystander training pilot** which was open to all employees across our business.



We're also working on **standardising our exit interview process** to gather valuable feedback and insights. In addition, we have created a forum through our networks to better understand the sense of belonging and inclusion among our colleagues. This is a safe space for open communication, allowing us to gain diverse perspectives, build trust and foster a sense of belonging.



We continue to deliver our **Unconscious Bias training** which is mandatory for all staff including newly appointed managers. We are updating our **Cultural Awareness training**, a key factor in promoting inclusion, diversity and equity, which we will deliver across our business in 2024.

PROGRESSION



Transparency is a fundamental value for Hachette UK, and our employee networks have created a **careers talk series**, focusing on demystifying topics around pay and progression. This is an ongoing series of network collaborations which is open to all staff to attend.

ACTIONS TAKEN SINCE OUR LAST PAY GAP REPORT



During Black History Month, our team at Trapeze, an imprint of Orion, hosted a **'Demystifying Publishing' panel event** to inspire those considering a career in the publishing industry. Our goal was to challenge misconceptions that might discourage individuals from considering publishing as a career choice, and to emphasise the importance of representation, reinforcing the idea that publishing is a place for everyone.

REPRESENTATION



At the core of our Changing the Story pillar lies a focus on building awareness and increasing representation. As part of our drive to create an inclusive and engaging workplace culture, we hosted a refreshed and ambitious programme of events for our annual **Changing the Story Festival**. Featuring a powerful workshop on 'Diversity and Confusion' and three panel events showcasing our authors, over 800 colleagues engaged with the events.



Celebrating and improving understanding of diversity year-round is vital to creating a culture of inclusion. Through our THRIVE network, we actively promote and celebrate **cultural heritage months**, such as Black History Month, and ESEA Heritage Month. This fosters a rich tapestry of cultural experiences within our organisation, which we hope will allow us to increase disclosure rates, enabling us to better grasp the diversity within our workforce and work towards improved representation.



We also implemented our **Virtual Work Experience Programme** in partnership with Springpod, offering valuable opportunities to around 1,000 students aged 15-18 across the UK. 35% of the students who took part were from Black, Asian, Mixed Heritage and Minority Ethnic backgrounds and 73% of students were from outside of London.



We're excited to announce the forthcoming launch of our **2024 Traineeship Scheme**. Now in its sixth year, it was developed in collaboration with Creative Access, Curtis Brown and Waterstones. This initiative aims to recruit and empower 10 trainees from underrepresented groups, contributing to a more diverse and inclusive workforce in the future. We're planning for three of these trainees to be recruited at a more senior level, and plan to target individuals who are looking for a career change.



Our **Changing the Story Freelancer Training programme**, launched in August 2023, provides a valuable opportunity for individuals aiming to establish a career as freelancers within the industry. Created in partnership with the Publishing Training Centre, this scheme offers fully-funded editorial freelance placements, where trainees will gain essential skills in proofreading, copyediting, and editorial project management. Over a six-month period, and working alongside a mentor at Hachette UK, participants will engage in practical learning, applying their skills to various freelance editorial projects.

ACTIONS TAKEN SINCE OUR LAST PAY GAP REPORT



In October 2023, we proudly sponsored the **Black British Book Festival's** flagship event at the Southbank Centre, which attracted an audience of over 4,000 people. We hosted a stand at the festival to showcase our books, authors and information on the publishing industry to attendees. Our staff also featured on a panel event conversation about 'cracking the code' to publishing success. The Black British Book Festival is one of our **key social impact partners**, and allowed us to connect with local communities, provide a platform for emerging Black British authors and champion Black literature.



In November 2023, we partnered with the **African Caribbean Education Network** (ACEN) during their annual anti-racism conference. Our staff engaged with students, sharing insights about our industry and sharing information on our mentoring schemes, work experience, traineeships and employee networks. Connecting with students from these communities is pivotal in nurturing our potential talent pipeline for the future.

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 for Hachette Book Group and Hachette UK
March 2024