

What do we mean by BAME?

BAME stands for Black, Asian and Minority Ethnic and is a term used widely across the UK.

What do we mean by Ethnicity Pay Gap?

An ethnicity pay gap is the difference between the average earnings of all Black, Asian and other Minority Ethnic employees and the average earning of all white employees, expressed as a percentage of white employees' earnings.

What is The Ethnicity Pay Gap Report?

Hachette's Ethnicity Pay Gap report will be published every year, together with updated and re-evaluated action plans. Unlike gender pay gap reporting there is no legal obligation to report this but we consider it our moral obligation to do so. For ease of understanding, we have decided to report in exactly the same way as we report our gender pay gap.

This means that there are two sets of figures in this report:

- 1) For the Hachette UK legal entity,* which employs over 250 people and is the legal entity for which we report our gender pay gap, largely consisting of publishing staff based in London
- 2) For the Hachette group,** which is the whole company including Hachette UK Distribution

Data for this report was collected in April 2018 at the time the latest gender pay gap snapshot was taken.

OUR MISSION is to be the publisher of choice for all people through the books we publish and our actions as a company, making it easy for everyone, everywhere, to access new worlds – of learning, of entertainment and of opportunity.

Hachette UK is a creative and inclusive place to work. We want to attract the best talent regardless of background. We are committed to ensuring that our publishing and the talented people who work for us reflect the world we live in, to understand better our broad communities of potential readers and to publish the books they need and want.

Our first Ethnicity Pay Gap Report and further analysis we have undertaken highlights in particular the current lack of representation in editorial, publishing, senior management and distribution. The action plans included in this report, which have been drawn up in consultation with the Changing the Story Steering Committee and THRIVE, Hachette's BAME network, are designed to address this and to help us reach our BAME representation target. Publication of the report is another step in ensuring that we are the publisher of choice for all people.

The White/BAME split of Hachette UK employees (April 2018)

The BAME population UK wide is 14% as per the 2011 census
BAME Staff make up 11.6% of the publishing industry (PA Survey 2018)



These figures do not include the Fresh Chapters trainees who are on a training bursary and not on the payroll.

In line with the PA Inclusivity Action Plan, published in 2017, our BAME representation target is 15% of the total group workforce within five years. We will adjust this following the results of the next census in 2021.

We are taking action to see significant change by attracting, retaining and progressing talented BAME staff through:

- Continually reviewing our recruitment practices to ensure we attract BAME staff in all roles, particularly in editorial and publishing
- Recruiting from around the UK and opening more offices outside London
- Striving to have at least one BAME candidate on interview shortlists for all job vacancies
- Increasing the number of trainees on our very successful Fresh Chapters traineeship
- Building on our partnership with other organisations to develop further our successful outreach programme in schools and universities, encouraging all staff to use at least one of their two paid volunteer days to participate
- Develop additional key partnerships with organisations that nurture BAME talent pools, building on our strong association with Creative Access
- Establishing a 'Mirror Board' career development programme for high potential BAME staff to work alongside the main HUK board on key business challenges
- Creating workshops, chaired by David Shelley, to give all staff the opportunity to work together to contribute ideas and actions and to pursue the business case for better diversity in our employees and publishing
- Continuing our highly successful Diverse Future Leaders Mentoring Scheme, providing talent from backgrounds currently underrepresented at senior level the opportunity to be mentored by and reverse mentor a Hachette UK board member.

To ensure that our publishing is representative and reflects the requirements of all our readers, we will undertake regular audits of our publishing programmes.

THE HACHETTE GROUP (the whole company)

MEDIAN ETHNICITY PAY GAP IS -6.9%

MEDIAN BONUS ETHNICITY PAY GAP IS -10.4%

HACHETTE UK LTD (the legal reporting entity)

MEDIAN ETHNICITY PAY GAP IS -2.0%

MEDIAN BONUS ETHNICITY PAY GAP IS 9.9%

The number of BAME staff is low and therefore a small number of jobs can influence the figures disproportionately. We expect the pay gap figures to fluctuate as more BAME staff join the company and the statistics become more robust.

Currently there are no members of the Hachette UK board who are from a BAME background.

The median pay gap shows the difference in the midpoints of the ranges of hourly rates of pay for white employees and employees from BAME backgrounds. It is calculated by ranking all the figures in descending order from the highest to the lowest and taking the figures from the middle of the list. This avoids skewing by figures at either end of the scale.

HOURLY RATE

The hourly rate of BAME staff is:

The median pay gap shows the difference in the midpoints of the ranges of hourly rate of pay for BAME and white members of staff. 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.

The mean pay gap is the difference in average hourly rates of pay that white and BAME employees receive.

FOR HUK GROUP

6.9% higher (median)
9.8% lower (mean)

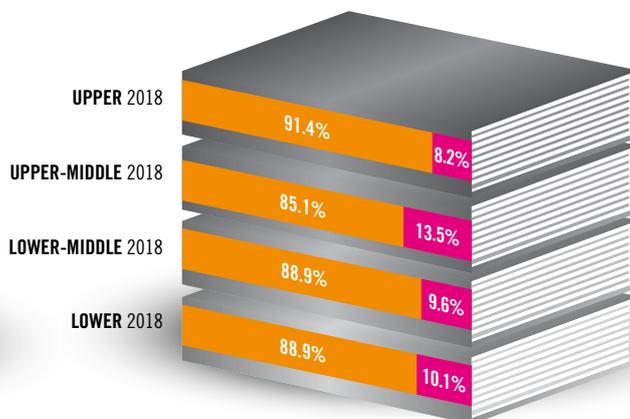
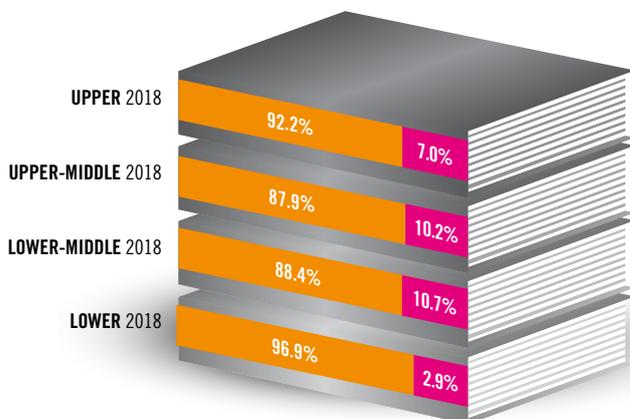
FOR THE LEGAL ENTITY HUK LTD

2.0% higher (median)
18.7% lower (mean)

PAY QUANTILES

FOR HACHETTE GROUP

FOR HUK GROUP (LEGAL ENTITY)

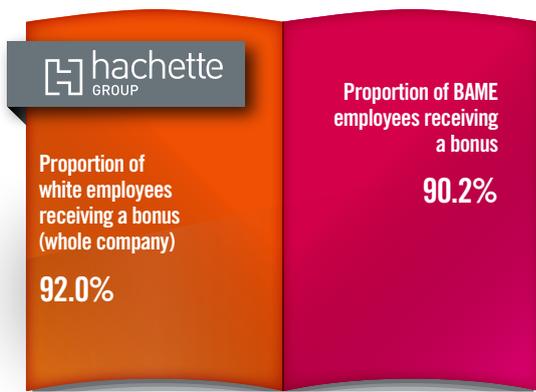


In some cases above the quartiles add up to less than 100%. This is because a very small number of employees chose not to disclose their ethnicity.

BONUS PAY

For the whole company the MEDIAN ethnicity bonus pay gap is -10.4%
For the whole company the MEAN ethnicity bonus pay gap is 60.3%

For HUK (Legal Entity) the MEDIAN ethnicity bonus pay gap is 9.9%
For HUK (Legal Entity) the MEAN ethnicity bonus pay gap is 70.9%



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.

***The legal entity Hachette UK Ltd consists of:**

- Hachette Children's Group
- Headline
- Hodder Education
- Hodder & Stoughton
- John Murray Press
- Group functions including Digital, Consumer Insight, Finance, Legal, HR and most employees of Hachette IT

****The Hachette UK Group (HUK Group) also encompasses:**

- Bookouture, Little, Brown, Octopus, Orion, Quercus and Hachette UK Distribution

DAVID SHELLEY
Chief Executive Officer,
Hachette UK

April 2019