

## What is The Government Gender Pay Gap Report?

All companies in Great Britain (but not Northern Ireland) with more than 250 employees are required to report their gender pay gap to the government Equalities Office by 4 April 2018. The figures given will be for the 'snapshot' date of 5 April 2017.

The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings. It is not the same as equal pay, which is covered by the Equality Act of 2010, and compares whether men and women are paid the same salary for performing the same, or equivalent, work.

Hachette UK Ltd and the Hachette UK Group in context:

The legal entity Hachette UK Ltd (HUK Ltd) (required reporting) is:

- 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 Group IT

For purposes of transparency, we have also chosen to report on the Hachette UK Group (HUK Group) as a whole, which also encompasses:

- Bookouture, Little, Brown, Octopus, Orion, Quercus, Bookpoint, Hachette Distribution, LBS

Companies acquired later than April 2017 are not included in this year's figures: Summersdale, Kyle Cathie, Jessica Kingsley Publishers.

## OUR WORDS HAVE POWER

As the publisher of Malala Yousafzai, J.K. Rowling, Helen Pankhurst and Eve Ensler's *The Vagina Monologues*, among many other powerful and visionary writers, we know the impact our publishing can have on the world.

**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.**

We are not alone in the issues we need to address: our gender pay gap, and the bonus pay gap, highlight that while we have a 66% female workforce, this proportion is not reflected in the number of women in the most senior roles.

**OUR 2020 OBJECTIVE IS TO REPRESENT THE 66% FEMALE MAKE-UP OF THE COMPANY OVERALL IN THE TOP SALARY QUARTILE.** We are signed up to the Publishers Association Inclusivity Action Plan, with a target to reach 50% of senior leadership and executive positions filled by women over the next five years.

**We are taking action to see significant change, fast:**

**RECRUITMENT, TRAINING AND DEVELOPMENT:** In 2016-17, 86% of promotions in the Hachette publishing divisions were of women; 75% of participants in our LEAD training programme are female; we have introduced compulsory unconscious bias training for all staff; we are introducing guidelines for gender balance of shortlists for all recruitment; our Diverse Future Leaders mentoring programme is into its second year, and this year the Gender Balance Network are launching women's career mentoring.

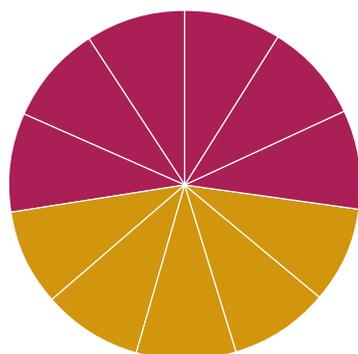
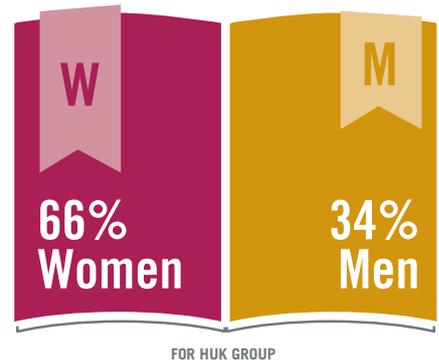
**WORK/LIFE BALANCE:** 'core hours' scheduling of regular meetings between 10am and 4pm Monday-Thursday; flexible and part-time working (15% of Hachette UK, and 21% of our female employees are part-time); enhanced paternity and maternity leave and parental mentoring.

**EMPLOYEE NETWORKS AND A NEW DIVERSITY & INCLUSION APPOINTMENT:** our Gender Balance Network has a sponsor on the Executive Committee and represents the views of staff at all levels; by June this year, we will have recruited a Diversity and Inclusion Manager to lead the change in the Hachette UK culture so that it becomes more inclusive and diverse in all respects.

## The female/male split of Hachette UK employees:

(These figures do not include employees on reduced pay, for example maternity pay, sick pay, unpaid leave – who are excluded by the government reporting structure)

This compares with industry-wide reported figures of 69% women (Publishers Association demographics survey 2017)



Of the 11 operating divisions\* in Hachette UK, 6 are headed by women and 5 by men

- \*The HUK Operating Divisions are:
- Hachette Children's Group
  - Headline
  - Hodder Education
  - Hodder & Stoughton
  - Orion Book Group
  - Octopus

- Bookouture
- Hachette Distribution
- Little, Brown Book Group
- John Murray Press
- Quercus



Of the 12 members of the Hachette UK main board, 4 are women and 8 are men.

The HUK main board represent the publishing divisions and key business functions.



Of the 6 members of the Hachette UK Executive Committee, 1 is a woman and 5 are men.

The HUK Executive Committee represent the key operating areas of the company.

**The Hachette UK Ltd median gender pay gap is 24.71%, and the median bonus gender pay gap is 62.64%**

This is affected by four key things:

- The higher number of men in very senior roles within the company.
- The higher proportion of women in the lower-middle and lower pay quartiles.
- The bonus pay gap is affected by the higher number of women working flexibly and part time, since their bonus pay is lower pro rata.
- The hourly rate pay gap is affected by the exclusion from the government figures of employees who are on reduced pay (eg statutory maternity pay, statutory sick pay, unpaid leave).

It is important to note that the pay gap is not the same as pay inequality: it is illegal in the UK to pay men and women different rates for doing the same or equivalent work, and Hachette UK is fully compliant with this law.

These are the figures we are required to present in the government's Gender Pay Gap Reporting. On the 'snapshot' date of 5 April 2017:

**HOURLY RATE**

Women's hourly rate is:

These figures are affected by a higher proportion of male employees in very senior roles within the company.

They compare with the national gender pay gap of 18.4% (median) and 17.4% (mean) published by the Office of National Statistics ASHE Oct 2017.



FOR THE LEGAL ENTITY HUK LTD

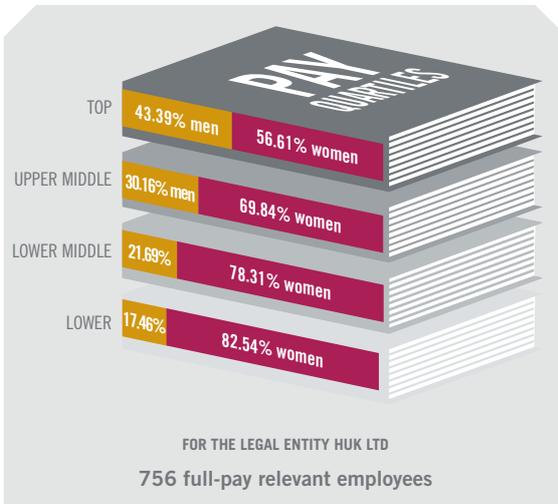


FOR HUK GROUP

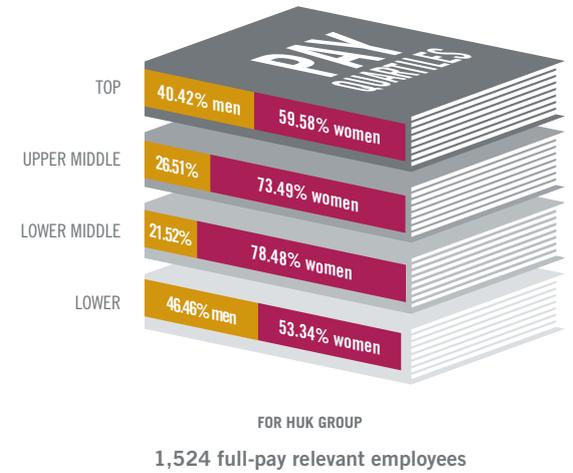
**PAY QUANTILES**

How many men and women are in each quartile of the employer's payroll:

As required by the government report, the Quartiles are defined by dividing the total number of employees by four, to determine the top/upper-middle/lower-middle/lower quartile bands of payment. Eg the Top Quartile represents the salaries of the 189 highest-paid men and women in the legal entity HUK Ltd, and of the 381 highest-paid men and women in the HUK Group.



FOR THE LEGAL ENTITY HUK LTD



FOR HUK GROUP

**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 (89% of our part-time workers are women) receive a smaller overall bonus, which affects the size of our bonus pay gap.



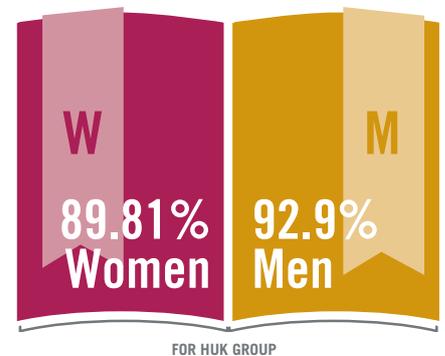
FOR THE LEGAL ENTITY HUK LTD



FOR HUK GROUP

**WHO RECEIVED BONUS PAY?**

These figures are affected by the high number of women recruited into the business in the reported year (70% of people recruited across the whole group, and 82% in the publishing divisions, were women). Those recruited after the bonus payment date will not have received a bonus for that year.



**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, Hachette UK

# 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.

There is a difference between the gender pay gap, and equal pay for men and women, first brought into law in the 1970 equal pay act.

A gender pay gap does not mean there is an equal pay problem.

## 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 April 5th 2017 – excluding any employees on reduced pay (eg maternity pay, sick pay, unpaid leave).

## Equal Pay

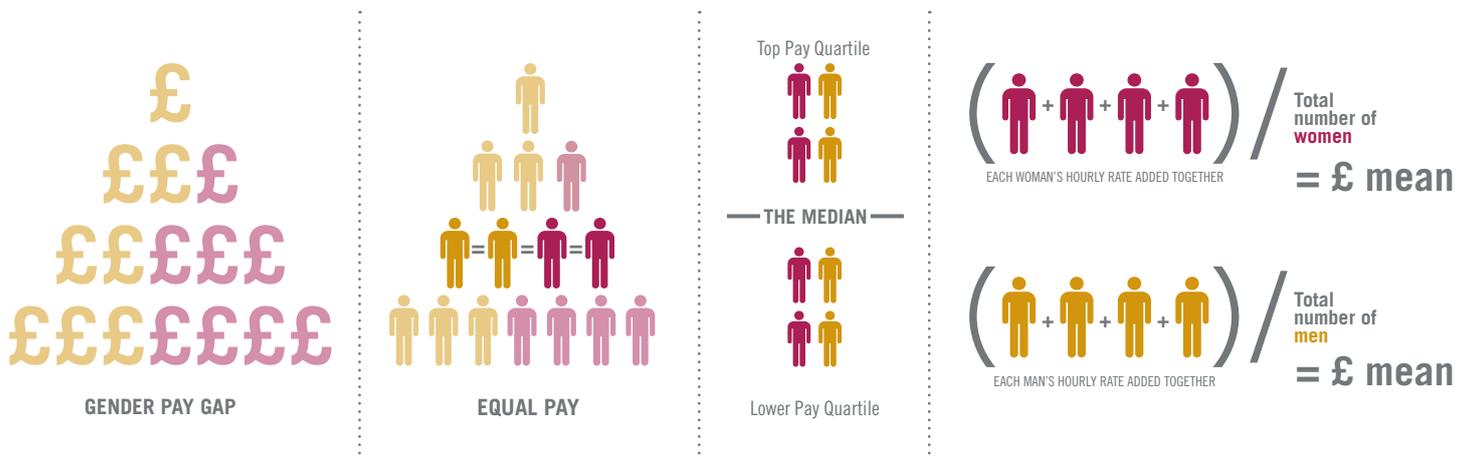
Equal pay is the right for women and men to be paid the same when doing the same or equivalent work. It has been an aspect of UK sex discrimination law for over 40 years, and the law is now incorporated into the Equality Act 2010.

## 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 earnings 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 figure in the middle of the list. The median therefore avoids the potential "skewing" influence of numbers at either extreme.



## 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 2017. 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.

## Proportion of males and females receiving a bonus

This is the percentage of men and women who received bonus pay in the 12 months leading up to the snapshot date of 5 April 2017.

## Proportion of males and females by pay quartile

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