

## What is The Government 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 2018.

We filed our 2017 Gender Pay Gap Report on 21 March 2018, just two weeks before the 'snapshot' date for reporting 2018. For this reason, most of the actions we have taken to address our gender pay gap are not reflected in the 2018 report. Their impact will be seen in the 2019 report.

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

Hachette UK consists of a number of employment entities of which only Hachette UK Limited (the legal entity) employs over 250 people. This does not include a number of our publishing divisions or our distribution business. We are only legally required to report on this entity but for the purposes of transparency and to give an accurate picture of the whole company, we have again chosen to report on the Hachette UK Group as a true reflection our business.

See Explanation for list of companies

**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.

Our 2017 Gender Pay Gap report highlighted that we have work to do to achieve this aim; specifically, our gender pay gap and the bonus pay gap highlighted that while we have a 66% female workforce, this is not reflected in the number of women in the most senior roles in the company.

Last year, we pledged that by 2020 the 66% female make-up of the company will be reflected in the top pay quartile and, as a result of the action plan devised in consultation with staff and our Gender Balance Network, we are on course to achieve this.

During 2018, before and after we reported our gender pay gap, we undertook a number of actions to make pay and bonuses fairer and more transparent and to encourage career progression and internal recruitment. These included providing mentoring and more open communication to encourage candidates from all backgrounds to progress to senior leadership roles, and increased paid maternity leave plus promoting and encouraging shared parental leave. We announced our plan to support flexible working opportunities for all staff and we have published our pay ranges for salaries up to £60,000 p.a. By the end of 2018, we will have introduced a system for name-blind recruiting through our new applicant tracking system.

In 2019, we will continue our programme of actions aimed at eliminating our gender pay gap with a major revision of our performance review procedures and an enhanced return to work programme aimed at staff who have had long periods away.

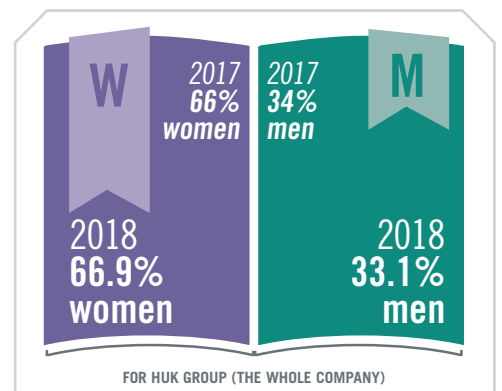
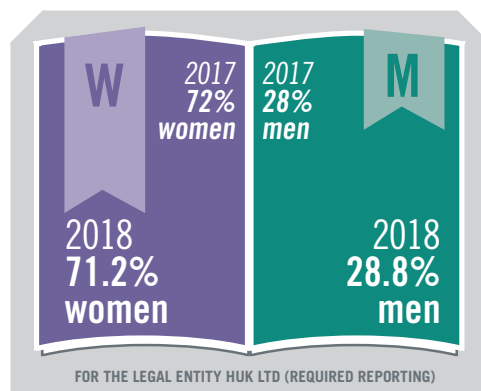
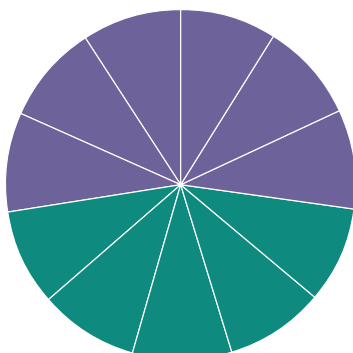
## The female/male split of Hachette UK employees:

(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.)

These figures include data from the publishing companies acquired in 2017: Jessica Kingsley Publishers whose figures are included in the HUK (Legal Entity) report and Summersdale and Kyle Cathie whose figures are included in the Group report.

In the year to 5 April 2018, there were 146 promotions within the Group, 111 (76%) of which were female.

There were 412 new starters over the same period (recruitment and via acquisition) of which 294 (71%) were female.



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 11 members of the Hachette UK main board, 4 are women and 7 are men. From January 2019, the HUK board will comprise 5 women and 6 men.\*

The HUK main board represents 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. From January 2019, the executive committee will comprise 2 women and 5 men.\*

The HUK executive committee represents the key operating areas of the company.

\*In January 2019, our new HR Director Melanie Tansey will join the executive committee and the HUK main board.

**THE HACHETTE UK LTD (the legal reporting entity)**  
 MEDIAN GENDER PAY GAP FOR 2018 IS 20.1% (2017: 24.7%)  
 THE MEDIAN BONUS GENDER PAY GAP IS 28.5% (2017: 38.5%\*\*)

The improvement on 2017 is explained by an increase in the number of women in the middle and upper pay quartiles, but it remains high because of

- The higher number of men in very senior roles in the company
- The higher proportion of women in the lower-middle and lower pay quartiles (although this is decreasing)
- The bonus pay gap is based on actual payments, and does not reflect the higher number of women working flexibly and part-time
- The hourly rate pay gap is affected by the exclusion from government figures of employees on reduced pay (e.g. statutory maternity pay, statutory sick pay, unpaid leave)
- The inclusion of Jessica Kingsley Publishers

**THE HACHETTE GROUP (the whole company)**  
 MEDIAN GENDER PAY GAP IS -0.6% (2017: -1.3%)  
 THE MEDIAN BONUS GENDER PAY GAP IS -0.8% (2017: 1.6%)

The difference is due to:

- Fluctuations in our workforce make-up with routine employee turnover as well as the inclusion of all three companies acquired in 2017: Jessica Kingsley Publishers, Summersdale and Kyle Cathie
- Bonus payments (for men and women) will always vary depending on the criteria under which they were awarded

The pay gap is not the same as pay inequality which is against the law. Hachette UK is fully compliant with the law.

\*\*There was an error in the reporting of the 2017 median bonus gender pay gap. It was incorrectly reported as 62.8%. The correct figure is 38.5%

These are the figures we are required to present in the government's Gender Pay Gap reporting. On the 'snapshot' date of 5 April 2018:

**HOURLY RATE**

**Women's hourly rate is:**

The median gender pay gap shows the difference in the midpoints of the ranges of hourly rates of pay for men and women. 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 gender pay gap is the difference in average hourly rates of pay that male and female employees receive.

2018: 20.1% lower (median)  
 2017: 24.7% lower (median)  
 2018: 30.4% lower (mean)  
 2017: 29.7% lower (mean)

FOR THE LEGAL ENTITY HUK LTD

2018: 0.6% higher (median)  
 2017: 1.3% higher (median)  
 2018: 17.8% lower (mean)  
 2017: 14.2% lower (mean)

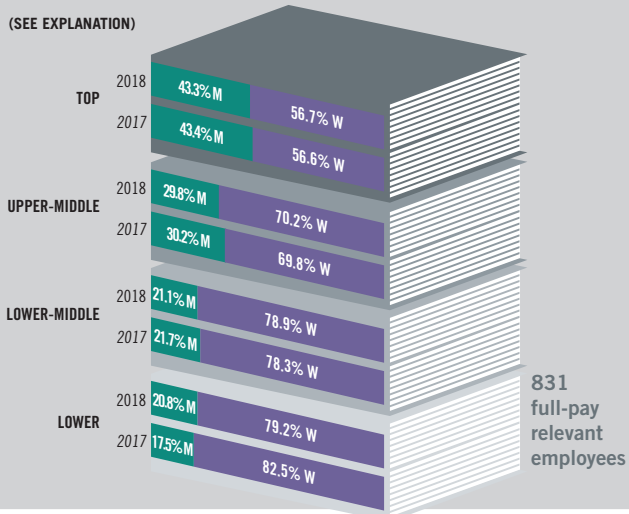
FOR HUK GROUP

The difference between 2017 figures and 2018 figures can be partly explained by the inclusion of data from the companies acquired in 2017: JKP, Summersdale and Kyle Cathie.

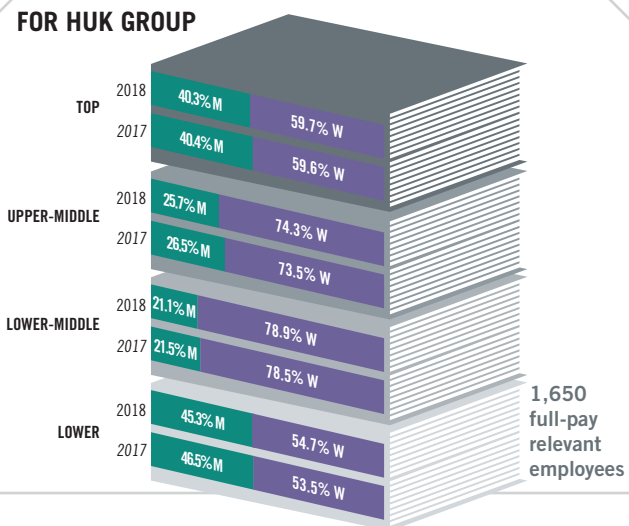
**PAY QUANTILES**

**FOR THE LEGAL ENTITY HUK LTD**

(SEE EXPLANATION)



**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.

2018: 28.5% lower (median)  
 2017: 38.5%\*\* lower (median)  
 2018: 71.9% lower (mean)  
 2017: 79.6% lower (mean)

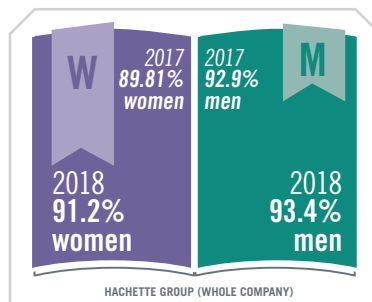
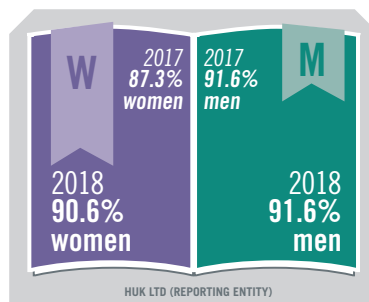
HUK LTD (REPORTING ENTITY)  
 \*\* corrected from 62.8%

2018: 0.8% higher (median)  
 2017: 1.6% lower (median)  
 2018: 62.2% lower (mean)  
 2017: 67.1% lower (mean)

HUK GROUP (WHOLE COMPANY)

**WHO RECEIVED BONUS PAY?**

These figures are affected by the proportionately high number of women recruited into the business in the reported year (2017/8 info). Those recruited after the bonus payment date will not have received a bonus in 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.

We calculate and publish two gender pay gap reports.

Hachette is only legally obliged to report for Hachette UK Limited which is the only entity employing more than 250 people. This includes:

Hachette Children's Group  
Headline  
Hodder Education  
Hodder & Stoughton  
John Murray Press (including Jessica Kingsley Publishers)  
Hachette central functions: digital, consumer insight, legal, finance, HR, communications and most employees in Hachette IT

For purposes of transparency and to give a picture of the whole of Hachette, we also publish the Hachette UK Group (HUK Group) which, in addition to the companies employed by the legal entity encompasses:

Bookouture  
Little, Brown  
Octopus (including Summersdale and Kyle Cathie)  
Orion  
Quercus  
Hachette Distribution, Bookpoint and LBS

Our 2017 gender pay gap report did not include the companies acquired after 5 April 2017, specifically Summersdale, Kyle Cathie and Jessica Kingsley Publishers. They are included in the 2018 report.

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 2018 – 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 2018. 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.

