

The Economist Group

Gender pay gap report

2019

Foreword

In our third report (my first for The Economist Group) it is clear there is much to do to here to achieve gender parity. However, I am encouraged by our global trends with some small improvements each year. Also, in the UK the gender gap in fixed pay has reduced over 6 percentage points in the last three years (see page 8) and we have recruited more women to the top quartile than in the previous year.

Clearly the small gains are taking time and we must inject more pace. I am hopeful that our new structure will make a difference too.

The following report presents the result for 2019 compared to the previous two years.



A handwritten signature in black ink, appearing to read 'L. Boro'.

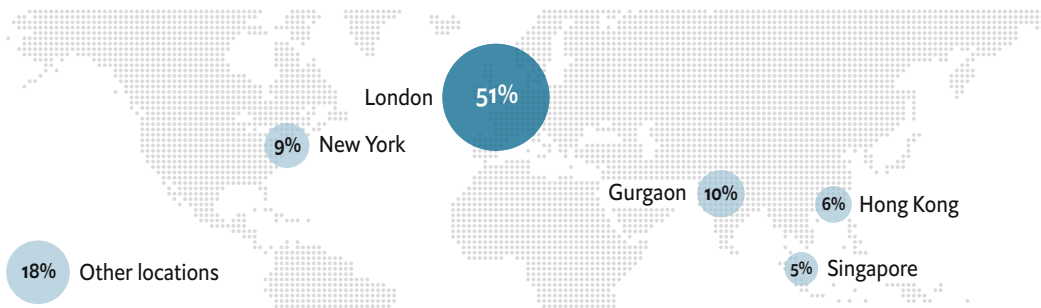
Lara Boro
Chief Executive

March 2020

1. Global employment and salary patterns

Main locations

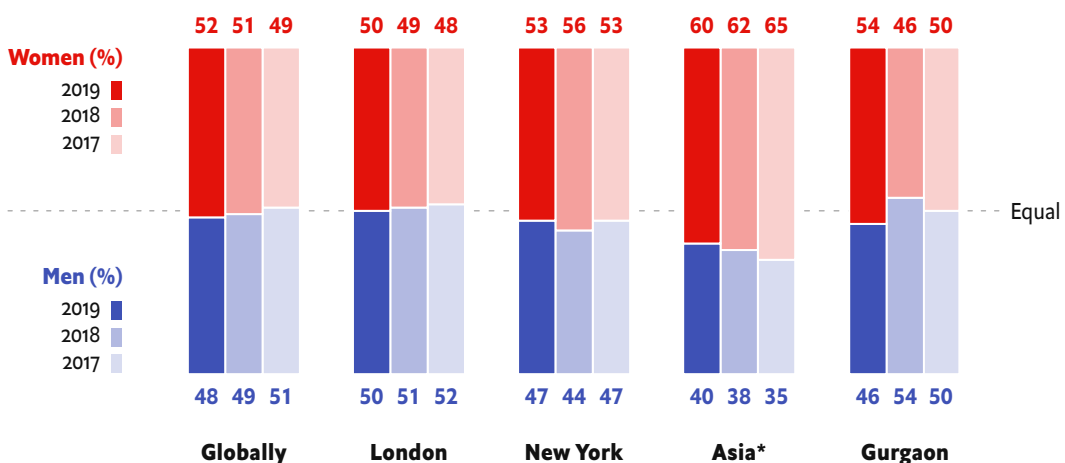
Employment distribution across our main locations remains similar to previous years



The following charts allow us to compare, at a global level, the earnings of our female and male colleagues, irrespective of their roles, wherever they are based. We are conscious of the importance of monitoring changes on a regular basis to help guide businesses and functions in internal and external appointments.

Global gender balance

Women and **men** employment distribution across The Economist Group



*Asia: Hong Kong and Singapore.

Our overall gender balance, in terms of the number of women and men employed, stays stable and close to parity in most locations.

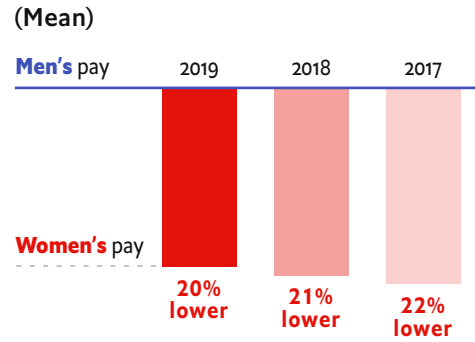
1. Global employment and salary patterns

Global gender pay gap

Women's earnings* vs **men's**

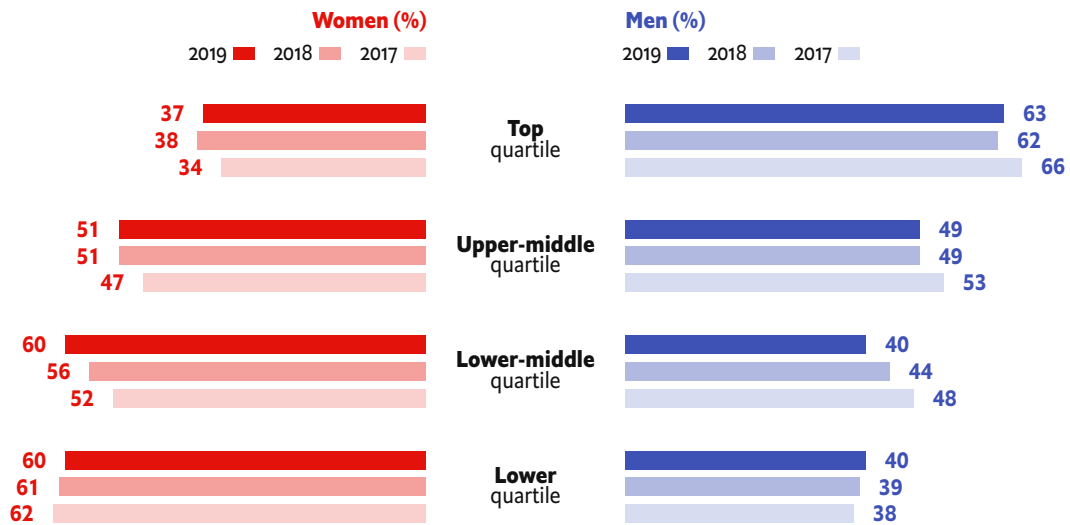
While the improvement year to year is modest (2 percentage points), our global gender pay gap continues to move in the right direction.

**Based on annual base salaries, adjusted for purchasing power parity-PPP.*



Global salary distribution

Employment distribution across each salary quartile* for **women** and **men**



**Based on annual base salaries, adjusted for purchasing power parity-PPP.*

Achieving better representation of women in our most senior jobs through recruitment, career progression and retention is still a priority for the Group.

2. The UK gender pay gap (as per UK Government reporting guidelines)

On the snapshot date of 5th April 2019, the Group employed 681 people in the UK (336 women and 345 men), mainly in London and Birmingham including editorial colleagues, publishing, marketing, research, consultancy, head office and support functions.

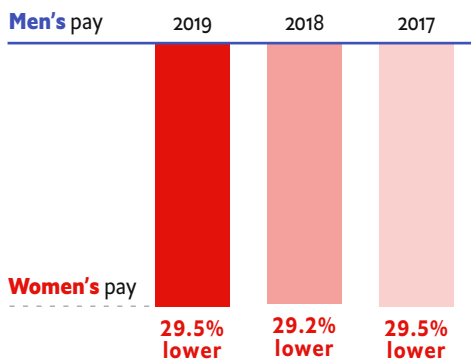
Gender pay gap

Women's hourly pay rate* vs **men's**

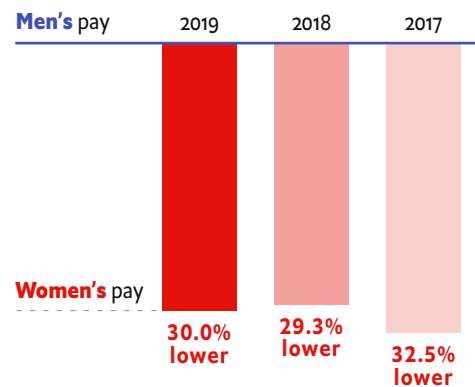
The data shows no change at the median.

At the mean, we have slipped back a little (0.7 percentage point) compared to last year although the gap since 2017 still shows an improvement of 2.5 percentage points.

(Median)



(Mean)

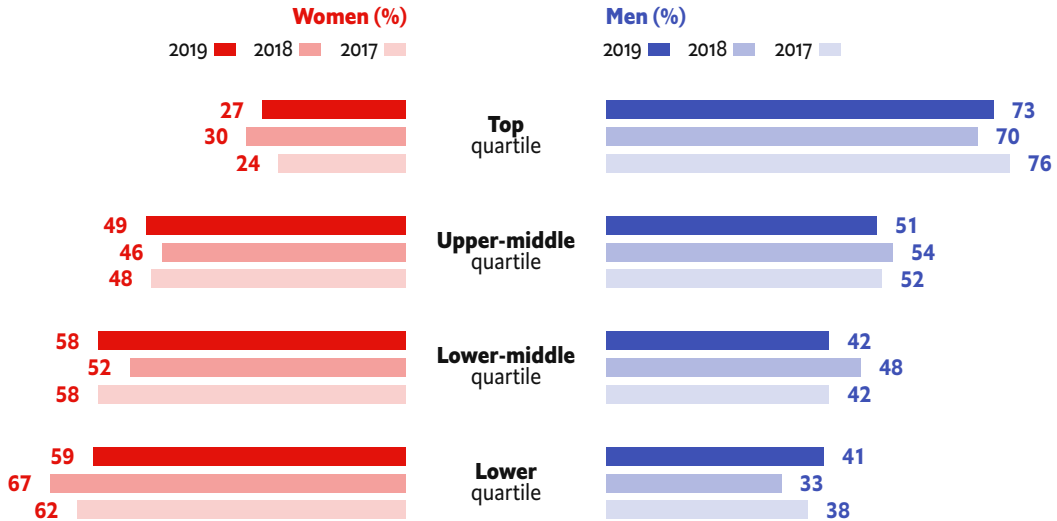


*The hourly pay rate for UK Government reporting purposes includes salary, allowances and bonuses and is different to the analysis of annual base salaries in the first section.

2. The UK gender pay gap (as per UK Government reporting guidelines)

Pay quartiles

Proportion of **women** and **men** in each pay quartile*



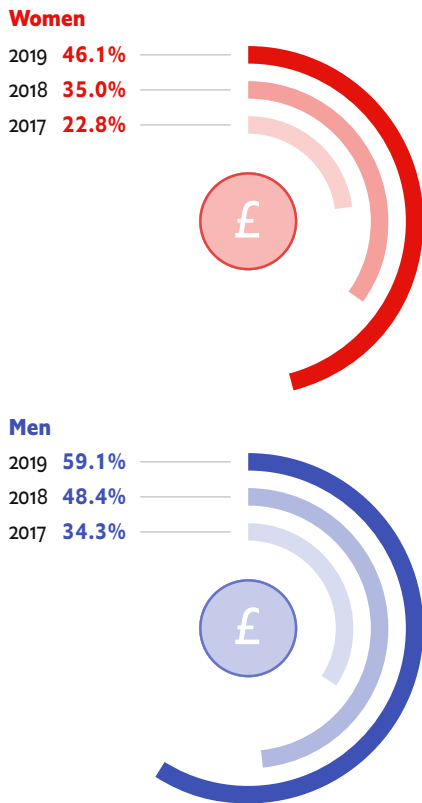
*Based on hourly pay rates.

The lower and upper-middle pay quartiles are more balanced than in previous years. Ensuring we have more women in higher paid roles continues to be the issue and these results pre date more recent senior female appointments.

2. The UK gender pay gap (as per UK Government reporting guidelines)

Bonus pay

Proportion of **women** and **men** who received bonus pay*

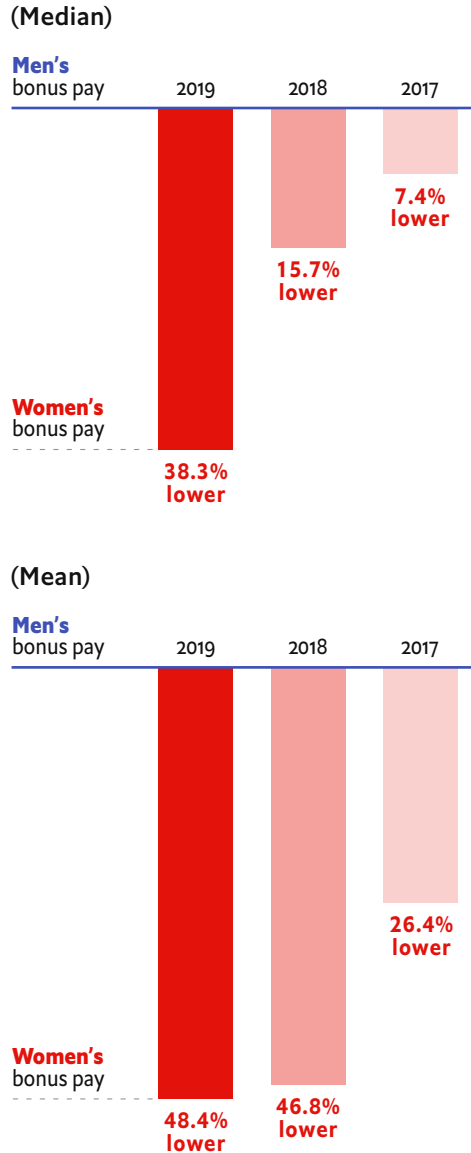


*Based on bonuses received during the 2018/19 tax year.

The proportion of women and men receiving a bonus payment has increased for both by 11 percentage points. This means that the proportion of female colleagues who received bonus pay this year has increased to a greater extent than it has for our male colleagues. However, most bonuses are a percentage of base salary and bonus percentages increase with seniority which are the positions more often held by men.

Bonus gap

Women's bonus pay* vs **men's**



*The bonus gap calculation excludes employees who did not receive a bonus payment at all during the 2018/19 tax year.

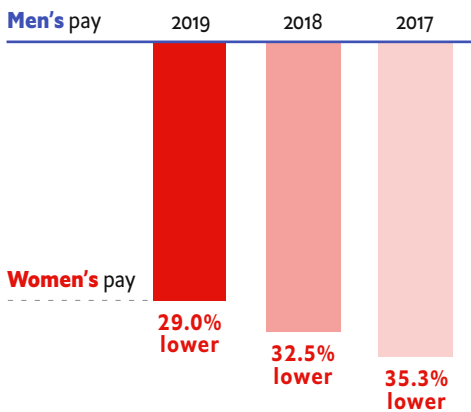
2. The UK gender pay gap (as per UK Government reporting guidelines)

Exploring the underlying data

When analysing the underlying UK data, our findings show a more balanced picture than reflected by the statutory disclosures alone. Our pay gap in terms of ordinary pay* which excludes bonuses has actually reduced consistently (6.3 percentage points) over time.

Gender pay gap in ordinary pay*

(Mean)



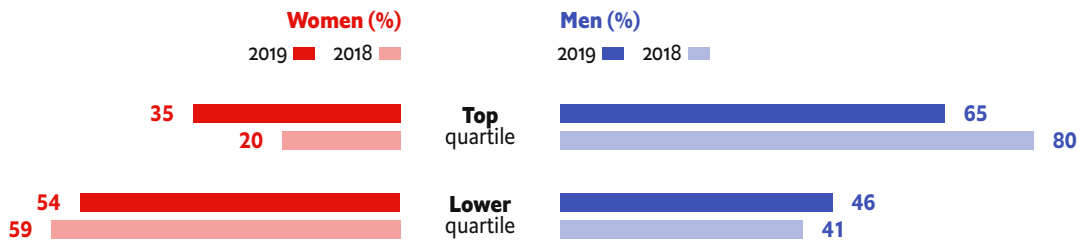
Improvement:

2018-19:	2017-19:
3.5	6.3
percentage points	percentage points

*The ordinary pay as defined for UK Government reporting purposes includes salary and allowances but excludes bonuses, which is different to the hourly pay rate used for the gender pay gap calculation.

New colleagues

Distribution of colleagues who joined the lower and top quartiles after the previous year's snapshot date



Looking at recruitment patterns*, we have recruited a higher proportion of women to the top quartile (35%) than we did the previous year (20%).

*Based on hourly pay rates as defined by the UK Government reporting guidelines.

3. Actions taken to improve diversity and inclusion globally

Multiple female and male candidates for senior roles and better gender balance in management teams

We continue to place greater demands on the Talent Acquisition team and hiring managers even when it means holding vacancies open for longer to ensure this happens. As demonstrated on page 8, our recruitment statistics for senior roles have really improved.

Re-examination of policies and practices

Last year, we announced improved paternity leave with 2 months fully paid in all our offices. We anticipated that generous paternity leave with no loss of income would encourage our colleagues to take more time off. The success of this new policy is shown in its uptake: the average length of paternity leave taken has increased to 6 weeks and two thirds of those taking paternity leave use their full 2 months' entitlement. Our goal is that with behaviours changing, perceived barriers to taking leave will dissipate and create a true cultural change, ultimately leading to more gender equality at work.

Deployment of our diversity and inclusion training

Our diversity and inclusion sessions, attended by over 80% of colleagues have focused, so far, on unconscious bias and harassment. In the coming months, we will launch an improved version with sessions differently targeted for managers and nonmanagers. These sessions will be more action-focused and discussion-led than their original format. Managers will be held more accountable for their team diversity statistics and non-managers will be prompted to think about their role in making the workplace more inclusive.

Understanding why colleagues leave

Last November, we launched a global engagement survey, Your Voice, which closed with a high participation rate of 83%. As colleagues leave over the coming months we will look at the way they answered the survey to see how feedback and comments showed less satisfaction in the different survey areas. We will be able to compare the results between women and men.

I confirm our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Catherine Hearn

Catherine Hearn

Group Human Resources Director

March 2020

