

The Economist Group

# Gender pay gap report

2020

## Foreword

The Economist Group is committed to being an organisation that promotes belonging and aims to have a Group culture that reflects inclusivity, diversity, and excellence.

In our fourth year of reporting, the UK data shows a great improvement at the mean and, more importantly, at the median, where our gender pay gap has improved by one-third this year. The analysis indicates that changes in practices and policies, as described at the end of the report, have resulted in the improvement in the numbers. We have consistently reduced the fixed pay gap over the last three years with major improvements in the proportion of women recruited in higher paid roles (see page 6). However, we are far from parity and men still dominate the top quartile for pay despite the Group employing similar numbers of women and men.

We are pleased to be making progress, and we are committed to the critical work ahead. We recognise the gender pay gap is still significant, and we are working to change it.



**Lara Boro**

Chief Executive

March 2021

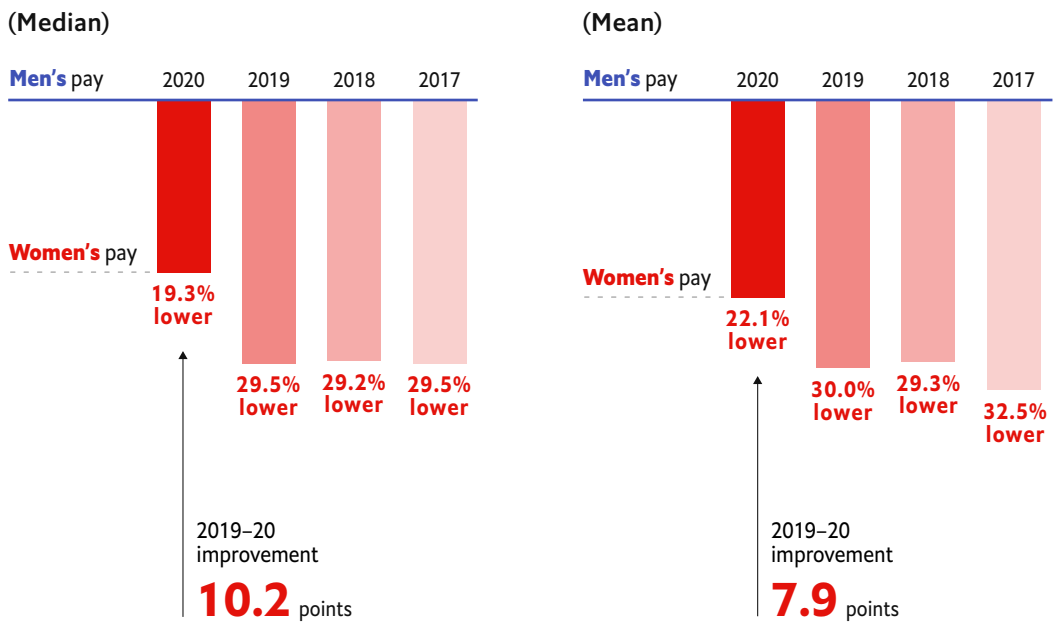
# 1. The UK gender pay gap (as per UK Government reporting guidelines)

On the snapshot date of 5th April 2020, the Group employed 751 people in the UK (364 women and 387 men), mainly in London and Birmingham including editorial colleagues, marketing, research, sales, technology, consultancy, head office and support functions.

## Gender pay gap

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

Our gender pay gap has improved by one-third this year.

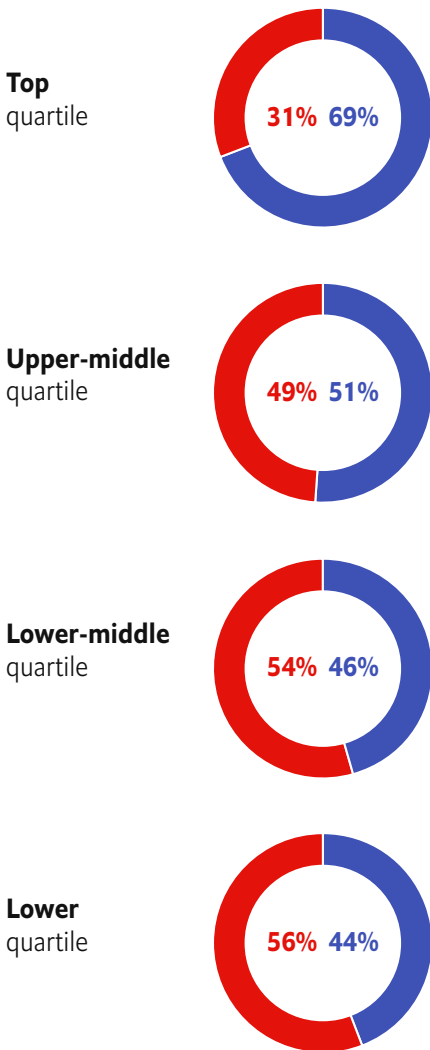


\*The hourly pay rate for UK Government reporting purposes includes salary, allowances and variable pay.

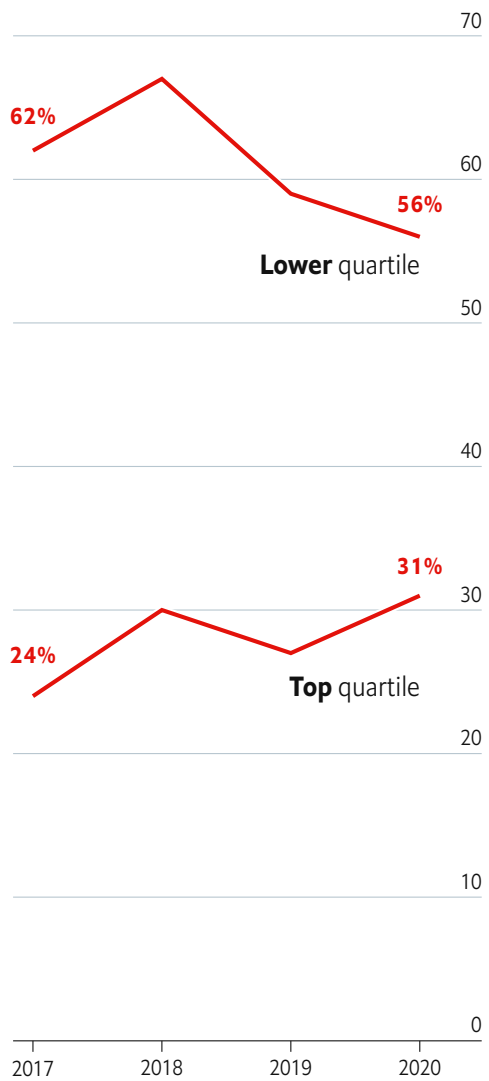
1. The UK gender pay gap (as per UK Government reporting guidelines)

Pay quartiles

Proportion of **women** and **men** in each pay quartile\*, 2020



Proportion of **women** in the top and lower pay quartiles\*, %



\*Based on hourly pay rates.

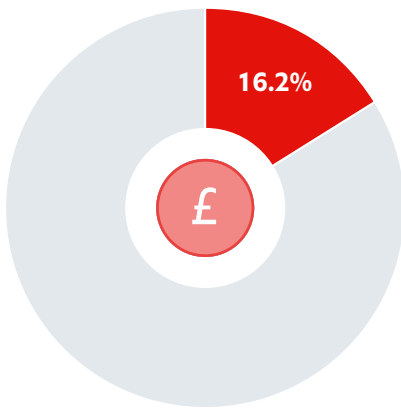
Our lower pay quartile is more balanced than previous years and we are getting close to an equal ratio, following the example of the lower-middle and upper-middle quartiles. Despite improved recruitment statistics (see page 6), better representation of women in higher paid roles continues to be a priority focus, as there were limited openings at that level. New hires in the top quartile represented only 12% of all of our new hires between April 2019 and April 2020.

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

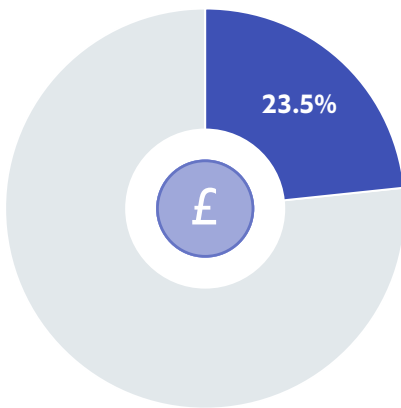
**Bonus pay**

Proportion of **women** and **men** who received bonus pay\*, 2020

**Women**



**Men**

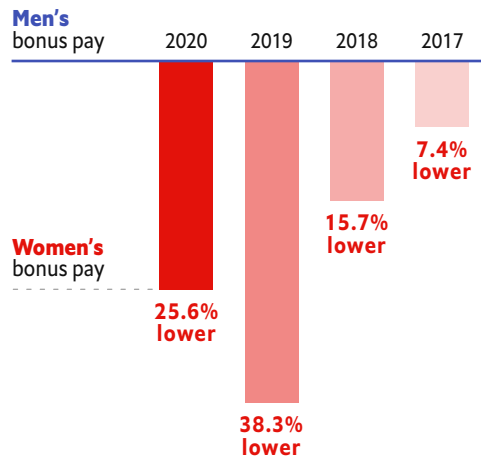


\*Based on bonuses received during the 2019/20 tax year.

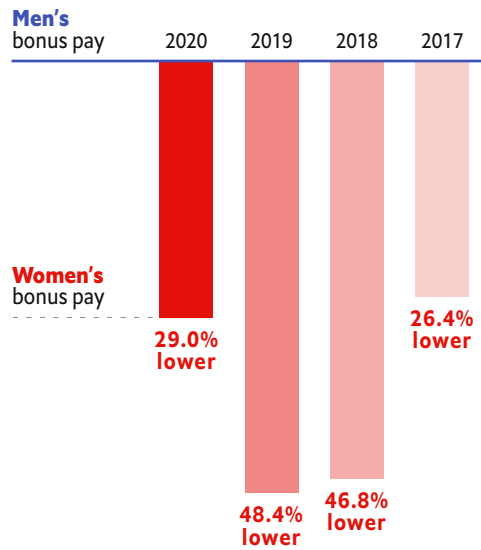
**Bonus gap**

**Women** bonus pay<sup>†</sup> vs **men's**

(Median)



(Mean)



<sup>†</sup>The bonus gap calculation excludes employees who did not receive a bonus payment at all during the 2019/20 tax year.

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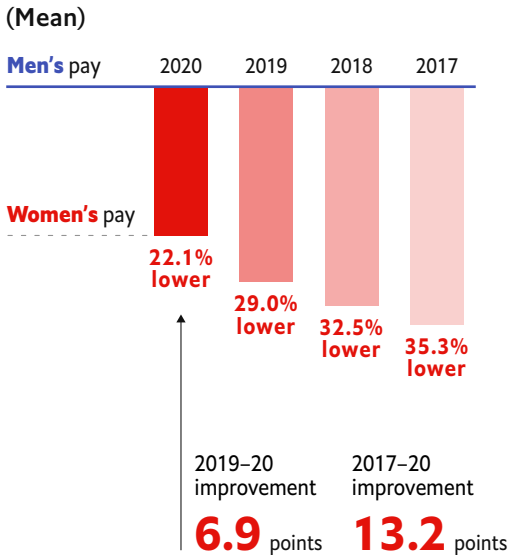
## Exploring the underlying data

### Female CEO

This year is the first year that our CEO Lara Boro is included in our data instead of her male predecessor. Had a male CEO been hired, the mean pay gap would have been 25.6% (instead of 22.1%) and the median pay gap would have been 19.8% (instead of 19.3%). This year's achievements don't rely on the strategic hire of one individual and instead are the result of changes of practices and policies. As expected, the recruitment of a female CEO has an impact on the mean pay gap, but it does not have a material impact on the median.

### Gender pay gap in ordinary pay\*

Women's pay\* vs men's

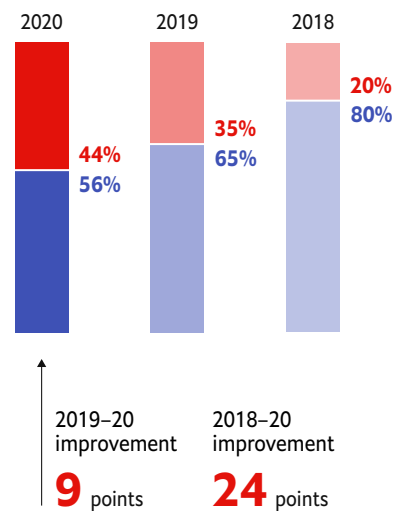


Our findings show that our pay gap in terms of ordinary pay\* which excludes variable pay continues to reduce year after year.

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

### New colleagues

Proportion of women and men in the top quartile for colleagues who joined after the previous year's snapshot date



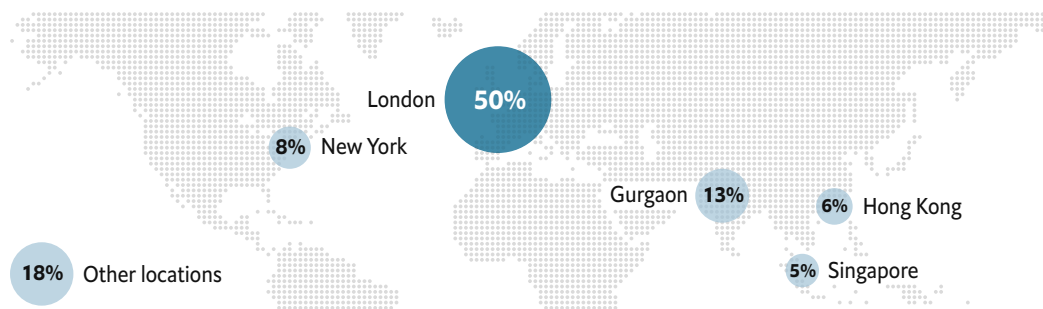
Looking at recruitment in higher paid roles, newly hired women and men are much better balanced across the top pay quartile† compared to the previous years and we are getting close to parity.

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

## 2. Global employment and salary patterns

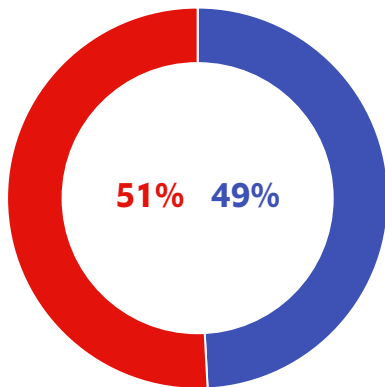
We are conscious of the importance of monitoring change, on a regular basis, at a global level. The following section compares the earnings of our female and male colleagues across our Group, irrespective of their role.

### Main locations



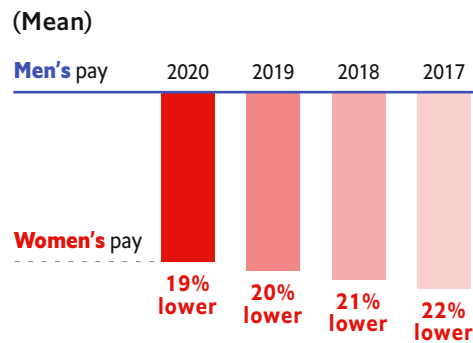
### Global gender balance

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



### Global gender pay gap

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

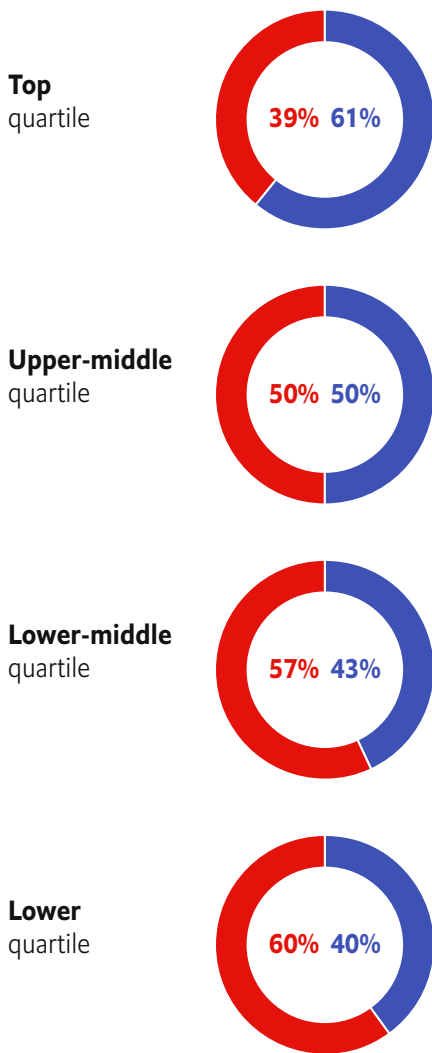


\*Based on annual base salaries, adjusted for purchasing power parity-PPP.

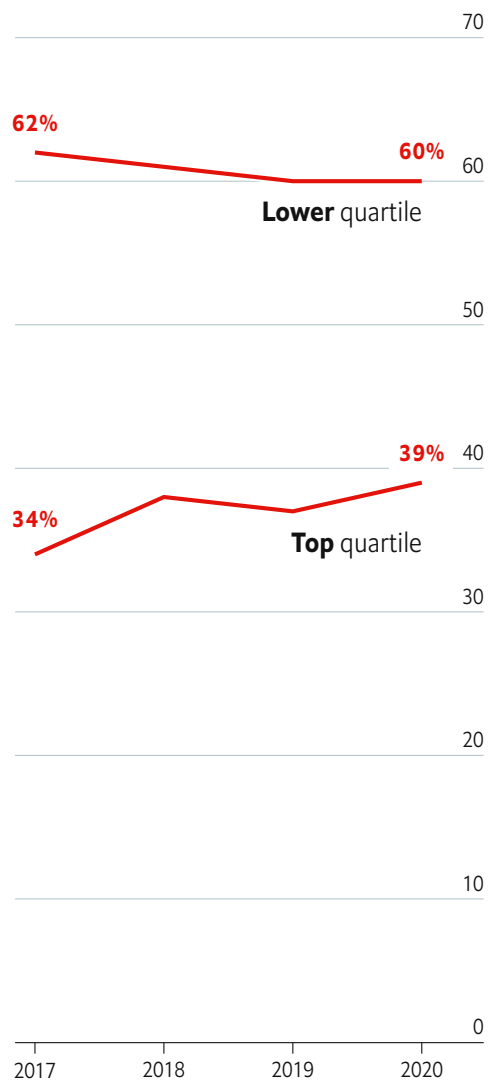
## 2. Global employment and salary patterns

### Global salary distribution

Employment distribution across each salary quartile\* for **women** and **men**, 2020



Proportion of **women** in the top and lower salary quartiles\*, %



\*Based on annual base salaries, PPP-adjusted.



### **3. Actions taken to improve diversity and inclusion globally**

This section refers to the actions taken within The Economist Group towards the goal of improving diversity and inclusion. The Economist editorial has taken additional and complementary actions towards achieving these shared goals.

#### **Creation of a Diversity Taskforce**

We appointed an internal diversity task force and external consultants to support the development and implementation of our diversity & inclusion strategy, which amongst other priorities helps to close the gender pay gap. The consultants specialise in diversity, unconscious bias and inclusive leadership.

#### **More diverse talent pools**

A number of actions have already been taken by the Talent Acquisition team to increase the diversity of our candidates and to ensure we are recruiting the best from the broadest pool of talent. The 'Hiring for Success' training programme is provided for hiring managers, and includes advice on how to tackle unconscious bias in job interviews and job descriptions. An online 'decoder' tool is used to ensure we are using neutral language in job adverts and job specifications, to appeal to a broad applicant pool. Our metrics around gender and ethnicity in recruitment are being reviewed on a monthly basis, and we have partnered with Creative Access to increase applications from under-represented talent.

#### **Extended paternity leave**

Two years ago, we announced improved paternity leave with 2 months fully paid in all our offices to encourage our male colleagues to take more time off. In its second year of implementation, the average length of paternity leave taken has increased to 7 weeks and two thirds of those taking paternity leave used their full 2 months' entitlement.

### 3. Actions taken to improve diversity and inclusion globally

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#### **Creation of affinity networks**

This year we launched our *Women of TEG* network dedicated to supporting, promoting, empowering and recognising our female colleagues by providing a place where they can connect, inspire and learn from one another, both professionally and personally. This sits along other networks which cover broader aspects of diversity such as ethnicity and sexual orientation. We also have a Family network which includes news, information and advice for parents.

#### **Understanding engagement**

Our most recent global engagement survey closed with a high participation rate of 89%. Comparing feedback between women and men and also by ethnicity gives us some insightful information on inclusion.

#### **Salary review**

Last April, instead of applying a percentage salary increase across the board, we allocated a higher budget for junior roles than for senior roles. Having a higher proportion of women in junior roles meant that this decision indirectly helped close the gap.

#### **Impact of the pandemic**

Many companies have seen the coronavirus pandemic particularly impacting their female workforce. Of our UK furloughs, only a third were women. We also offered compassionate leave to employees, helping those struggling because of lack of childcare.

#### **Commitment to flexible working**

Flexible working can help address the gender pay gap and we have already announced internally that we will extend our existing flexible working arrangements and all colleagues will have the option to work from home at least 2 days per week post pandemic.

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



**Gnosoulla Tsioupra-Lewis**

Chief Talent Officer

March 2021

