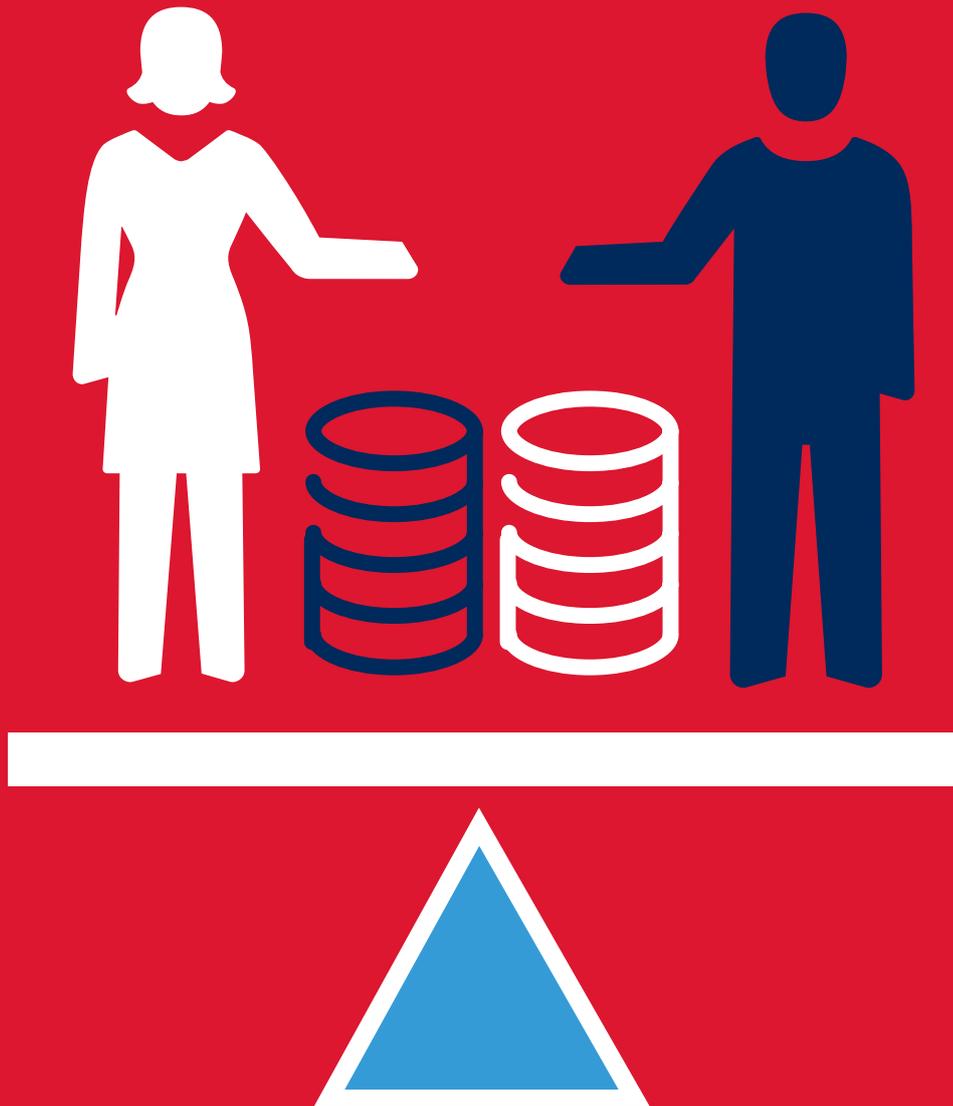


UK Gender pay
gap report
at 5 April 2018



SPRINGER NATURE

Background

Since 2017 UK businesses with more than 250 employees are required to publish information about the average pay of men and women in their organisation. The specific requirements of reporting are set out by the UK Government. All the results from reporting companies are then published on a UK Government website¹. All data in this report is as at 5 April 2018 for pay, and for the preceding 12 month period from 5 April 2018 for bonus data.



What is the gender pay gap?

The gender pay gap is the difference between the gross average hourly salary and bonus paid to all men in the company and the gross average hourly salary and bonus paid to all women in the company, irrespective of individual roles or seniority.

Is gender pay the same as equal pay?

Gender pay statistics are not the same as equal pay statistics. The term 'equal pay' relates to whether men and women are paid equally for doing the same job. Whereas 'gender pay' looks at the average salaries paid to men and women irrespective of their role or position.

A gender pay gap does not necessarily indicate that an organisation is paying employees unfairly, as roles compared are not always like for like. Therefore, the gender pay gap calculation cannot be used to determine whether organisations do not pay men and women equally for the same type of work, which is the subject of equal pay legislation.

At Springer Nature we take our obligations around equal pay seriously and we use the salary review processes to make salary proposals by considering the value of each individual compared to peers e.g. job content, scope, responsibility, experience, skills and knowledge to ensure this is completely non gender biased. We would conduct in depth analysis to ensure that this continues to be so and in this way we can successfully address the historical legacies that have led to this gap across almost all organisations in the UK.

■ 'Gender pay' looks at the average salaries paid to men and women irrespective of their role or seniority.

¹ <http://gender-pay-gap.service.gov.uk/viewing/>

What's inside this report?

Like other companies, we provide data in four areas:

- a** The differences in mean and median pay between men and women, calculated on the basis of equivalent hourly pay rates.
- b** The distribution of men and women between pay band quartiles – these are calculated from the full range of hourly pay rates for all employees.
- c** The proportion of men who received a bonus and the proportion of women who received a bonus.
- d** The differences in mean and median bonus pay between men and women.

Springer Nature in the UK is made up of four different legal entities. While we are only required to publish data from the largest legal entity – Springer Nature Ltd – we voluntarily publish the overall figures for Springer Nature in the UK and, for completeness, for those smaller business units below 250 employees which make up our UK organisation. This report summarises information for all of Springer Nature in the UK. The final page shows the data for each of the four legal entities.

In this report you will find:

- 1** Summary gender pay gap data for all of Springer Nature in the UK.
- 2** An analysis of the data.
- 3** A summary of actions we are taking.
- 4** The data broken down by all legal entities: Springer Nature UK, BioMed Central, Springer Healthcare and Springer Verlag.



■ You can find out more about national reporting of statistics on gender pay from the Office of National Statistics².

² <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/understandingthegenderpaygapintheuk/2018-01-17>

1 Summary gender pay gap data

For Springer Nature in the UK.
As at 5 April 2018 (all legal entities)

a) The differences in mean and median pay between men and women, calculated on the basis of equivalent hourly pay rates:

Springer Nature

Mean hourly pay difference male and female employees	17.25%
Median hourly pay difference male and female employees	13.95%

At Springer Nature, the mean hourly pay difference between male and female employees is 17.25%, a decrease of 0.36% since 2017 when it was 17.61%. The comparative national mean gender pay gap is currently 17.9%³.

The median hourly pay difference between male and female employees is 13.95%, a decrease of 1.17% since 2017 when it was 15.12%. This compares with a national gender pay gap for all employees (for median earnings) of 18.4%⁴ currently.

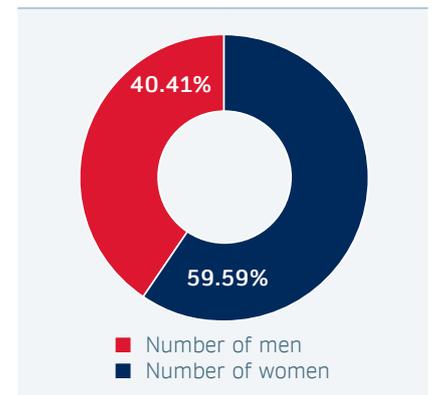
The mean is the 'raw average' of all salaries whereas the median is the figure that falls in the middle of a range when all the figures are lined up from smallest to largest. The median is less affected by outliers (which can skew the data) than the mean, and as a result is usually the preferred measure for compensation where a small number of highly paid employees can skew the data and mask the underlying picture.

Context for Springer Nature in the UK

Total number of UK employees **1814**

Number of women **1081**

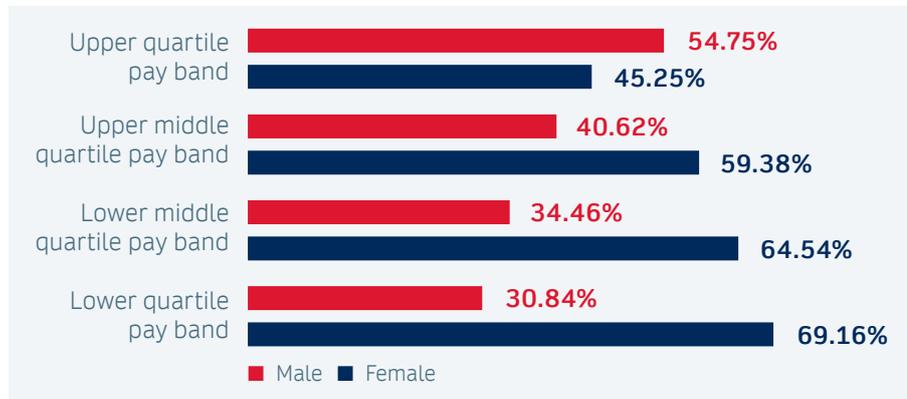
Number of men **733**



³ <https://visual.ons.gov.uk/find-out-the-gender-pay-gap-for-your-job/>

⁴ <http://www.equalpayportal.co.uk/statistics/>

b) The distribution of men and women between pay quartiles:



■ The proportions of men and women vary at different levels of seniority and salary level.

The quartile information indicates that while almost 60% of our total workforce in the UK is female, the proportions of men and women vary at different levels of seniority and salary level with men more highly represented in the highest paid group (which includes roles such as chief editors, directors and team leads) and women more highly represented at the middle and lower salary levels (which includes editors, assistant editors, customer service coordinators and administrative assistants).

c) The proportion of men and women receiving a bonus:

	Men	Women
Proportion of staff receiving a bonus 2018	36.82%	41.20%
Proportion of staff receiving a bonus 2017	38.60%	37.47%



d) The differences in mean and median bonus pay between men and women:

Springer Nature	2018	2017
Mean difference between male and female bonus payments	40.70%	27.65%
Median difference between male and female bonus payments	43.24%	38.94%

There is a larger gap between bonus amounts in 2018 than in 2017. A small number of individuals can have a significant impact on the bonus data and in 2017 some people in senior positions received a pro-rated bonus (as they had not completed a full year in the company). For 2018 these bonus payments have been paid for a full year. This increase in the overall bonus pay gap for Springer Nature in the UK is particularly noticeable in some of the smaller legal entities because in small group sizes a few people can have a big impact on the overall figures.

As we reported last year we have some historical bonus arrangements in which the potential bonus is linked to a percentage of salary, whilst others are paid a fixed amount dependant on performance. These arrangements still exist, however as we continue to conduct our review of bonus eligibility this is an area we are further investigating and to take action where necessary.

2 Analysing the data

In 2018, Springer Nature again reports a smaller gender pay gap than the national average⁵ for all employees, and for the whole of Springer Nature in the UK there has been a small reduction in the gap between male and female pay (measured by both mean and median). However, this is not the case in all of our legal entities, nor for the bonus pay gap. With only two years worth of data we are cautious in interpreting these results, which may not reflect a meaningful trend.

Since reporting 2017 figures, we have spent time considering some of the external and internal factors that can lie behind gender pay gaps to understand if there are any systemic or other issues which are reflected in this gap. Our analysis has found that the main driver of the gap is the lower representation of women, in comparison with men, in the most highly paid roles, alongside a higher representation of women than men in middle and lower quartile level roles. This has been further influenced as a result of a number of changes in senior roles within some legal entities.

As with our findings last year while almost 60% of employees who work for Springer Nature in the UK are women, in the higher quartile pay range the proportion falls to 45.25% which is a small reduction from 2017. In the lower quartile pay range women make up 69.16%. We have experienced a small decrease in women in this lower quartile and a corresponding increase in men in this lower quartile.

In this year's data set 6.17% of the UK workforce – or 112 people – worked part-time hours. Of these, 102 (91.07%) were women and 10 were men. As last year, this group does not have a material impact on the pay gap. There are staff working part-time hours in all pay quartiles. This is reflective of flexible working practices which are intended to support different needs of our employees to balance home and work life.

3 Taking action

While Springer Nature has marginally reduced the gender pay gap from last year's reported pay gap and it remains lower than the last reported national average, the data continues to highlight that there is more we need to do to ensure that all women and men in our organisation have support to progress their careers and develop into more highly paid senior roles if they choose to do so.

The bonus pay gap data has increased (see above) and therefore one of our key undertakings has been a complete review of eligibility of the Global Bonus Plan across positions, gender, legal entity employer and also across key positions across the organisation irrespective of legal employer.

■ Our analysis has found that the main driver of the gap is the lower representation of women, in comparison with men, in the most highly paid roles and a higher representation of women than men in middle and lower quartile level roles.

■ The data continues to highlight that there is more we need to do to ensure that all women and men in our organisation have support to progress their careers.

⁵ As against the 2017 national average.

Our ambition is to ensure that those who have similar positions and also levels of influence within the company are treated consistently with regard to bonus eligibility, which has not always been consistent in the past as a result of legacy policies from before the merger of Macmillan Science and Education and Springer Science+Business Media in 2015. This inconsistency was not due to any bias but often a result of that particular legal entity's pay and bonus philosophy in the past. We hope that by aligning the eligibility criteria across Springer Nature in the UK this will lead over time to a reduction in the bonus pay gap.

Having reviewed the data in detail and considered its implications we are using it to help inform our overall diversity and inclusion planning.

Springer Nature is committed to diversity and inclusion and we strive for a fair and representative gender balance at all levels of the organisation. We want to ensure our workplace provides the environment and opportunities for all our employees to develop, thrive and progress through the business, and that barriers to inclusion are removed.

Diversity and inclusion strategy

Our global director of Diversity & Inclusion (D&I) has been instrumental in leading the D&I agenda across the business globally, and informing practices in specific locations including the UK. Promoting gender representation in our global senior leadership positions is one of two initial focus areas in our D&I Roadmap and we have rolled out a number of initiatives to drive change in this area. This includes unconscious bias training for all staff and the development of a recruiting checklist for hiring managers and HR to promote diversity and inclusion in our recruiting processes. In November 2018, we launched two mentoring pilot programmes; one for international talents and one for mid-career parents and caregivers, to support them in their career development during the "rush hour of life". We are planning new employee groups, including a parents network and a women's network. We have also committed to the Publishers Association's Inclusivity Action Plan.

The D&I Director is working closely with the D&I Council of senior leaders, chaired by our General Counsel, and a D&I Advisory Group representing many areas of the company.



UK pay and benefit processes

As a result of producing gender pay gap information we have actively reviewed data about our UK annual pay review processes and have been assured that there is no evidence of gender disparities in the way annual reviews are conducted or in the way that salary increments are awarded. We are also continuously reviewing UK participation in the Springer Nature global bonus plan.

Like many other organisations, Springer Nature promotes a range of family friendly benefits including childcare vouchers (for those enrolled prior to by 31st August 2018) and the new tax-free childcare scheme (from April) that provide ways for working parents to save on the cost of childcare. Flexible working policies and the launch of a new Working at Home policy aim to further help employees to balance home and work life.

Other initiatives

Springer Nature is a founder member of the FT125 Women's Forum⁶ and continues to support this. Each year female mid-career professionals from Springer Nature are selected to attend a series of forum events designed to help to develop and retain future leaders. Those who attend are encouraged to bring back valuable insights to share with colleagues within our business. In 2019, the cohort has been doubled to involve 20 colleagues.

As an organisation our commitment is that we will continue to take action to understand the gender pay gap in our organisation better to make sure our policies and practices are fair and to consider new initiatives in line with our diversity and inclusion strategy and commitments.

Setting targets for women in leadership

In 2018 Springer Nature's management board agreed to set global targets for improving the gender balance in our global leadership positions. While many of the actions that we are taking in our D&I strategy are relevant through all tiers of the organisation we believe that an increasing proportion of women in senior decision-making roles is one way to measure our success. This should have a positive impact on the gender pay gap within the company over time.

By 2023 we aim for 45% of those global leaders in the top three tiers of the organisation to be women, in comparison with 39% today. We will also look into defining other key performance indicators to track our progress towards becoming a more inclusive and diverse company.



■ We aim for 45% of our global leadership group to be women by 2023.

4 Data by legal entity

	Springer Nature UK (all entities)	Springer Nature UK (Ltd)	BioMed Central	Springer Healthcare	Springer Verlag
Number of employees	1814	1321	178	135	180
Proportion of male/ female employees in the entity	40.41%/ 59.59%	38.53%/ 61.47%	31.46%/ 68.54%	38.52%/ 61.48%	64.44%/ 35.56%
Mean hourly pay difference between men and women	17.25%	15.02%	4.55%	14.85%	13.64%
Median hourly pay difference between men and women	13.95%	9.52%	-3.47%	18.43%	18.59%
Proportion of men/women in lower pay band	30.84%/ 69.16%	31.12%/ 68.88%	31.11%/ 68.89%	25.71%/ 74.29%	44.44%/ 55.56%
Proportion of men/ women in lower middle pay band	35.46%/ 64.54%	34.24%/ 65.76%	33.33%/ 66.67%	42.42%/ 57.58%	68.89%/ 31.11%
Proportion of men/ women in upper middle pay band	40.62%/ 59.38%	38.18%/ 61.82%	31.82%/ 68.18%	32.35%/ 67.65%	72.73%/ 27.27%
Proportion of men/women in upper pay band	54.75%/ 45.25%	50.61%/ 49.39%	27.91%/ 72.09%	54.55%/ 45.45%	71.74%/ 28.26%
Proportion of men/women receiving a bonus	36.82%/ 41.20%	39.49%/ 29.56%	41.07%/ 45.90%	94.23%/ 86.75%	25.00%/ 46.88%
Mean difference between male/ female bonus	40.70%	36.78%	68.03%	44.87%	3.50%
Median difference between male/ female bonus	43.24%	32.38%	39.35%	44.07%	28.17%

We confirm the data in this report is accurate:



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