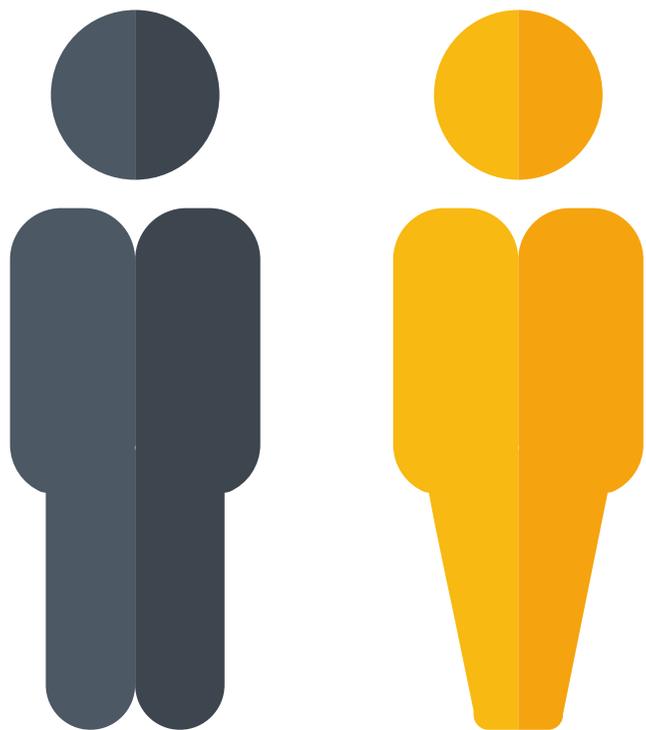


GENDER PAY GAP REPORT 2021

This report contains our April 2020 to April 2021 results and our plans to ensure gender equality.

What is the Gender Pay Gap and how is it calculated?



The UK Government introduced legislation in 2017 which requires companies in the UK with 250 or more employees to publish information on their Gender Pay Gap.

The Gender Pay Gap (GPG) is the measure of the difference between men's and women's hourly earnings in a company. For DC Thomson, this includes base salary, allowances including car allowance, any acting up allowances, shift and standby payments, commission, zero hours and pension supplements received.

The Gender Bonus Gap is the difference in all incentive pay received by men and women in the 12 months up to 4th April 2021. For DC Thomson, this includes company or personal performance bonuses, sales incentive plans and commission plans.

What is the Gender Pay Gap and how is it calculated?

The Gender Pay Gap in the UK should not be confused with ‘equal pay’ and ‘pay equity’.

Equal pay is the legal requirement to pay men and women the same for performing the same work and this has been in place in the UK for over 40 years. The Gender Pay Gap disclosure is to bring attention to other issues that drive the pay gap, namely fewer women in senior positions and men predominating in specialist or senior positions that can carry a premium in the market.



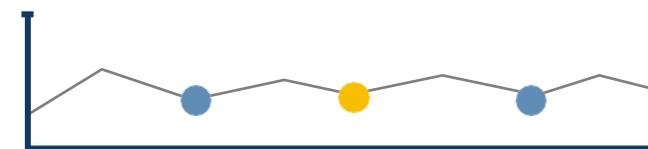
Mean and median compared

Mean

The mean is calculated by adding up the total pay of all employees and dividing by the number of employees in the list. This calculation is completed separately for men and women and the values are compared. While useful, this ‘true average’ is easily skewed by a small number of high or low earners. Reporting both mean and median figures provides a more rounded understanding of the GPG.

Median

The median is the number which is in the middle when pay is ranked from lowest to highest. This is broadly understood by statisticians to be the best view of ‘typical’ pay, as extremes of low and high pay do not affect the median.



GROUP RESULTS

Our Gender Pay Gap

Our overall median gender pay gap of 15.16%

this is a **reduction** from 16.86% from the last reporting period in 2020

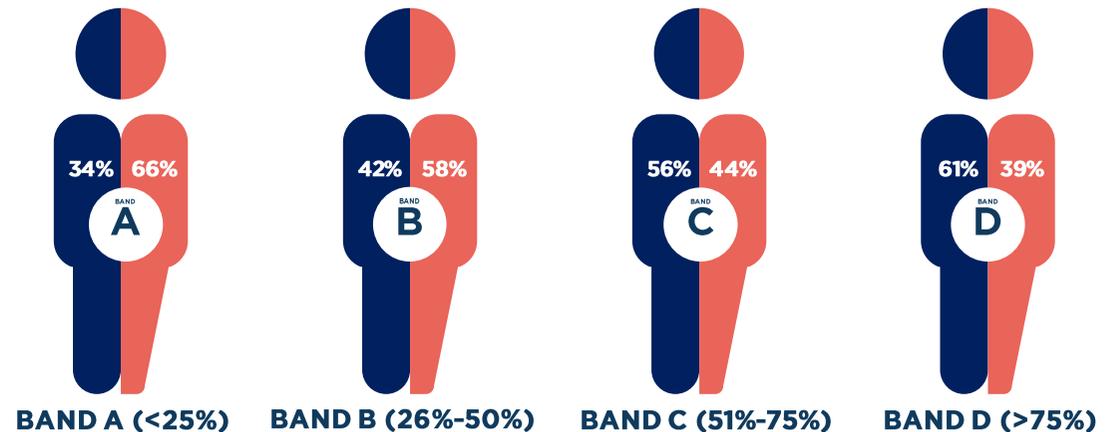
According to the ONS, although the coronavirus has had a significant impact on the labour market and the number of hours worked, it appears to have had very little impact on the gender pay gap in the UK throughout this period. In 2020, the UK average gender pay gap was 15.5%.

Of the eligible population included in the analysis, DC Thomson group had 1,494 employees, with 51.7% female representation in April 2021.

The quartile analysis ranks men and women from the lowest to highest earners, based on hourly rates. This is then divided into four even groups to show the proportions of men and women in each of these four earnings groups. The quartiles show that we have more females in lower paid roles and more males in higher paid roles.

Our group pay quartiles show a general gender split where more females are paid in the lower quartile and more males are paid in the highest quartile. The total number of females in Band A and B account for 60% of the eligible female population. Meaning more than half of the female population sit within the lower to mid-quartiles.

The below shows the Gender Pay Gap and Bonus Pay Gap for DC Thomson Group overall calculated in accordance with the regulations.



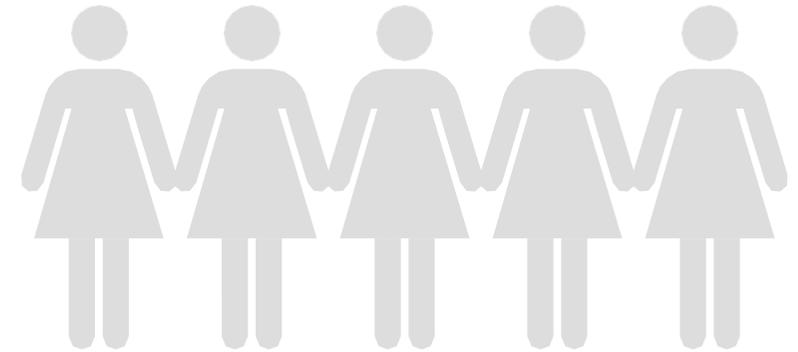
DC THOMSON GROUP								
Pay gap:	25.68% (Mean)	15.16% (Median)	Bonus gap:	-9.29% (Mean)	-20% (Median)	Bonus participation rate:	Male 33.42%	Female 21.58%

DC THOMSON RESULTS

Our Gender Pay Gap and Bonus Pay Gap

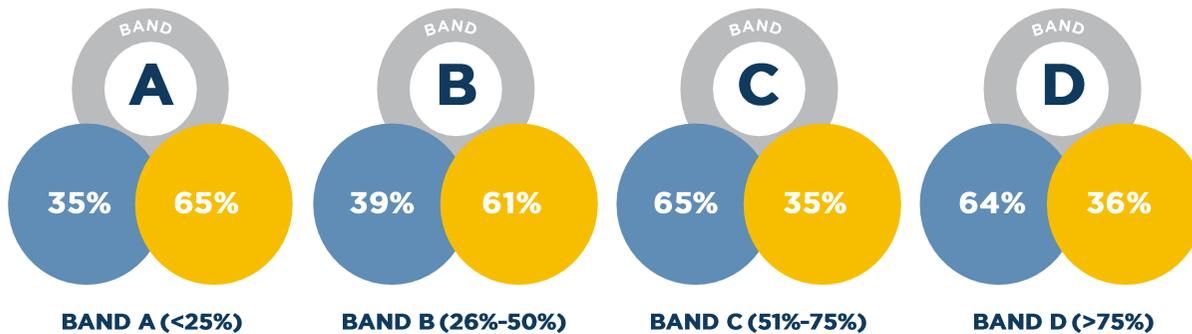
Our overall median gender pay gap in April 2021 for DC Thomson Ltd is 17.03%. This is higher than the overall group median.

Our DC Thomson Ltd pay quartiles also show a gender split where more females are paid in the lower quartile (65% Female, 35% Male) and more males are paid in the highest quartile (64% Male, 36% Female).



IN APRIL 2021, DC THOMSON LTD HAD

804 ELIGIBLE EMPLOYEES
OF WHICH 49% WERE FEMALE



● FEMALE % ● MALE %

The below shows the Gender Pay Gap and Bonus Pay Gap for DC Thomson Ltd calculated in accordance with the regulations.

DC THOMSON & CO. LTD								
Pay gap:	26.19% (Mean)	17.03% (Median)	Bonus gap:	-29.04% (Mean)	-162.90% (Median)	Bonus participation rate:	Male 26.70%	Female 11.03%

*Notes: "DC Thomson" refers to employees in our Media business, in our Corporate Support teams, in our Investment teams and in our Beano Studios business.

Why are our numbers what they are?

To understand what is driving the gender pay gap, we have carried out analysis on a range of other factors such as age and length of service in order to determine if any of these impact on the pay levels of our male and female population.

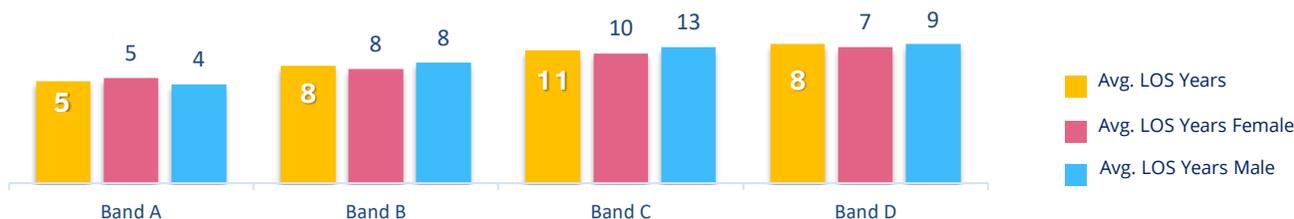
Our analysis shows that the **average age** within each quartile is similar for both males and females. Indicating that age does not play a factor in contributing towards our gender pay gap. The average age within the lower quartile is 33 and the average age within the higher quartile is 45. It is anticipated individuals increase their earnings as they get older and therefore this is a trend we would expect to see. This trend is consistent for both males and females.

Average Age



Average length of service Years

Similarly, **length of service** does not appear to be a factor contributing to our gender pay gap, with males and females having similar lengths of service in each banding.



Over the last 12 months, we have recruited more females than males and continue to have a higher population of females. This indicates that we are successful in attracting and retaining female talent across the group.

At senior leadership levels, we have an even split of females and males in CEO positions (3 female, 3 male) and a number of female executive leaders, providing visibility and role models for our entire population.

We can therefore conclude that the main driver of our gender pay gap is the different roles carried out by females versus males and a higher proportion of females within support roles within our business.



51.7%
 Female
 of **1,494**
 GROUP COMPANY EMPLOYEES

How are we addressing the gap?

Actions include:



Creation of an Inclusion and Diversity working group established in March 2021, formed by volunteers from across the group. Focus is to review our approach to inclusion and shape an action plan to help address priority areas.



Inclusion and Diversity survey launched in August 2021. Data captured will help us to better understand our population and their feelings towards inclusion..



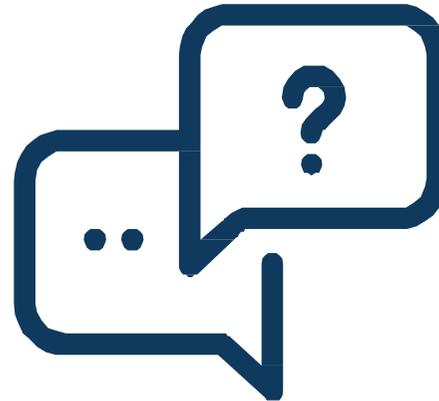
Remuneration Committee established to provide security and governance with regards to pay and reward decisions. Membership of this committee includes two external advisors to provide clear oversight and governance to reward strategies.



Talent Connect – Introduction of a new platform designed to provide greater opportunities for our people to join new projects showcasing their skills and capabilities. Enabling greater collaboration and networking across the group.



Talent mapping and succession planning exercises to identify key talent and opportunities for growth and development.



Our commitment to supporting **DIVERSITY AND INCLUSION** at DC Thomson

Mentor scheme to help our people consider their future direction and to ensure the right support is available.



Developing a learning led culture, providing access to a range of learning opportunities, which are flexible to meet varying needs across the business.



Implementation of a new one to one process, designed to consider the wellbeing of our people, their performance and their goals for the future.



Embracing a new hybrid approach to work, empowering our people to determine where and how they work to achieve the best outcomes.



New on-boarding process designed to ensure inclusion for all. Especially important in the new hybrid world of work to ensure new starts feel connected to the business and have the opportunity to build relationships at work.



Review of recruitment practices, including data captured and reported. Providing greater clarity with regards to successful source of candidates and gender split of applicants for particular roles.



Next steps

This week we have published our 2021 gender pay gap results. Compared to April 2020, the gap has slightly improved from 16.86% (2020) to 15.13%.

We have taken some time to try and understand the reasons for this gap and have concluded that the main driver is the different roles occupied by males and females across the group. Whilst we have females represented at senior leadership levels we must understand and address representation at all levels within our business.

In 2020 we communicated a need for DC Thomson to embark on a transformation journey, which saw us launch our T25 transformation programme. This programme will see us build, protect and grow our best loved brands for future generations.

As our audiences and the way they consume content evolves, we must find new ways to connect. Using data and technology to better understand our communities, now and into the future is key to T25 success. As is the need to ensure we represent our audiences in terms of content. Having an inclusive and diverse working environment is fundamentally critical to our future success. We aim to create a culture where our people can truly be themselves, enabling creativity, innovative thinking and celebrating people's individuality.

The results of our gender pay gap reporting sharpen our focus to ensure our talent and reward strategies are fit for purpose. We will continue to review role and career progression through our business, considering the routes and opportunities available to our people, identifying any barriers in place for females and other under-represented groups. Where roles allow, we are openly embracing hybrid and flexible working approaches, believing that this will enable our people to perform at their best.

The creation of culture working groups, one of which is our Inclusion and Diversity group, reflects the importance of diversity within our business and drive an inclusive, learning culture, which we consider critical to achieving our future goals.

We will continue to operate fair recruitment selection practices and will review the marketing of our vacancies to ensure they are attractive to all.

As we progress through our transformation journey there are a number of measures being implemented, such as a new mentor scheme, a revamped one to one process, new talent and collaboration platforms and new reporting mechanisms to monitor success. By focussing on these important measures, we will continue to work hard to ensure fairness for all.

For us, the UK gender pay gap reporting continues to be a great opportunity to concentrate on improving diversity and inclusion across our group. As a family business, with a higher proportion of females in our population, we take our responsibility in addressing our gender pay gap very seriously and look forward to working with our people to make the necessary changes to close the gap.



David Thomson, Director, DC Thomson
October 2021

