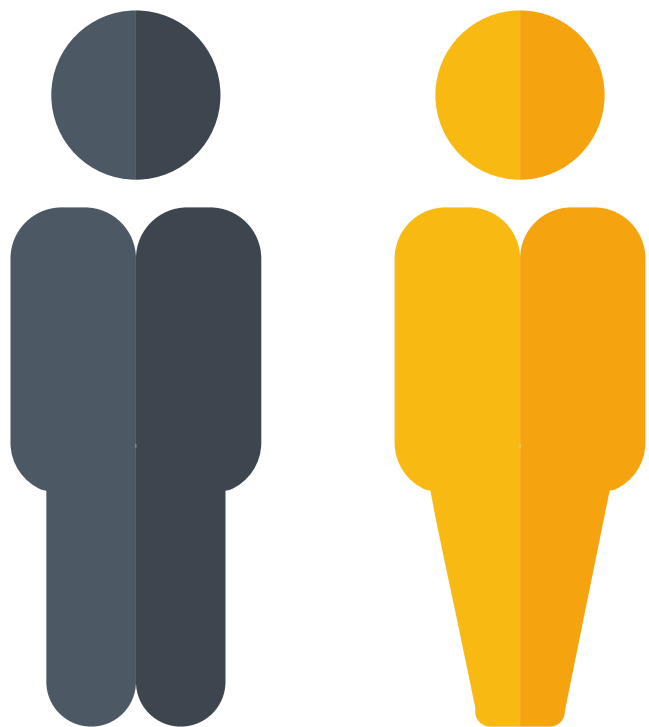


GENDER PAY GAP REPORT 2022

This report contains our April 2021 to April 2022 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 2022. 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.



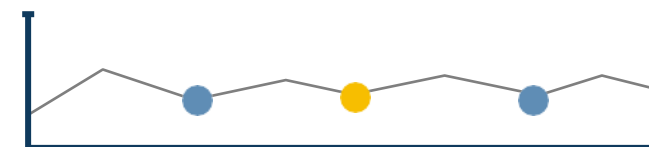
Mean and median compared

Mean

The mean is calculated by adding up the total pay of 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 17.03%

is an **increase** from 15.16% from the last reporting period in 2021

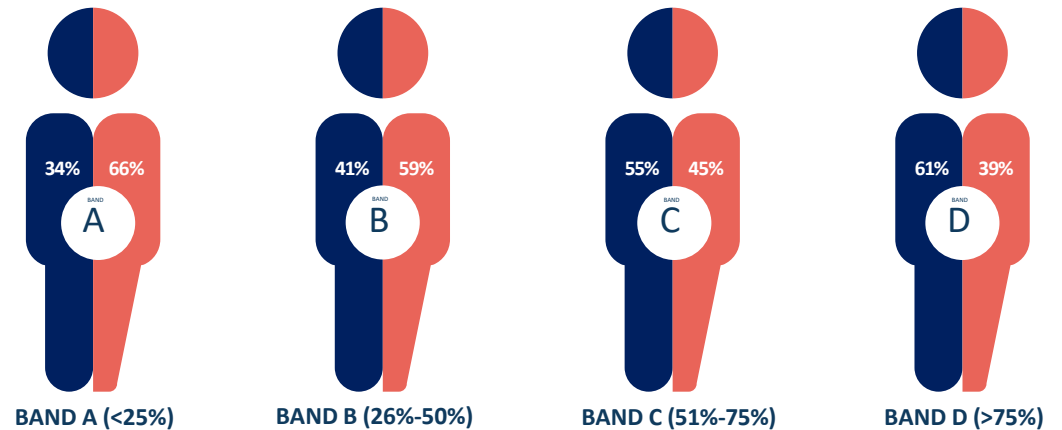
According to the ONS, the UK gender pay gap in April 2022 was 14.9%, due to the data collection disruption during the pandemic, ONS recommend looking at longer term trends rather than year on year comparison. In the UK over the last decade the UK gender pay gap has fallen by a quarter.

Of the eligible population included in the analysis, DC Thomson group had 1,541 employees, with 52.2% female representation in April 2022.

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.



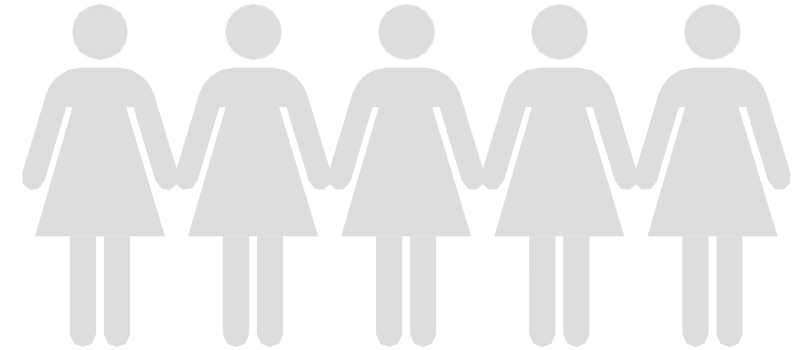
DC THOMSON GROUP								
Pay gap:	20.49% (Mean)	17.03% (Median)	Bonus gap:	20.25% (Mean)	17.7% (Median)	Bonus participation rate:	Male 43.35%	Female 56.65%

DC THOMSON RESULTS

Our Gender Pay Gap and Bonus Pay Gap

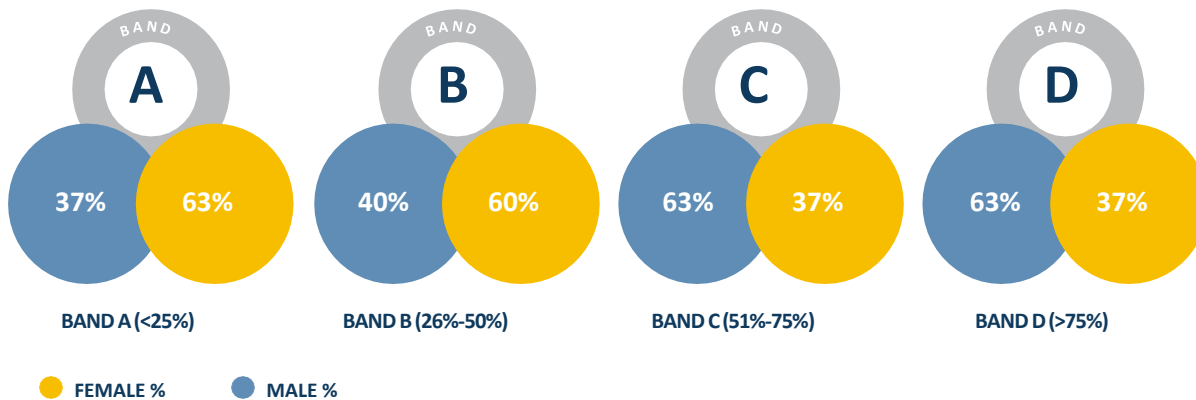
Our overall median gender pay gap in April 2022 for DC Thomson Ltd is **15.44%**. This is lower than the overall group median.

Our DC Thomson Ltd pay quartiles also show a gender split where more females are paid in the lower quartile (63% Female, 37% Male) and more males are paid in the highest quartile (63% Male, 37% Female).



IN APRIL 2022, DC THOMSON LTD HAD

830 ELIGIBLE EMPLOYEES
OF WHICH 49% WERE FEMALE



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:	18.44% (Mean)	15.44% (Median)	Bonus gap:	20.14% (Mean)	28.65% (Median)	Bonus participation rate:	Male 46.40%	Female 53.60%

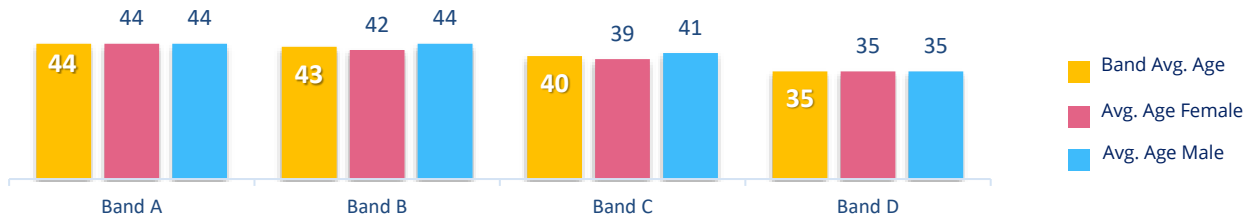
*Notes: "DC Thomson" refers to employees in our Media business, in our Corporate Support teams, in our Investment teams and in our Beano Studios business.

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.

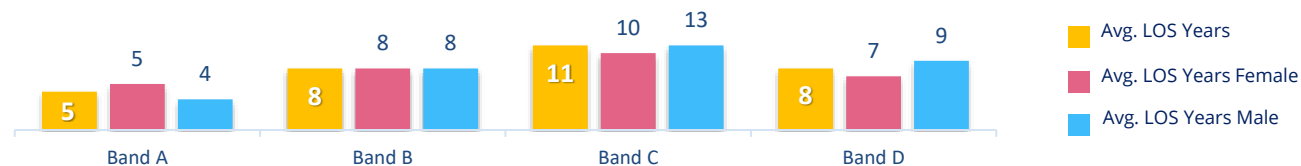
Our analysis shows that the **average age** within each quartile is similar for both males and females. Indicating that age does not play a factor in contributing towards our gender pay gap. The average age within the lower quartile is 44 and the average age within the higher quartile is 35.

Average Age



Average length of service Years

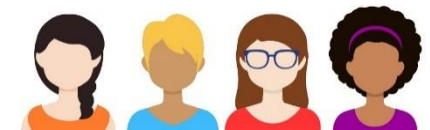
Similarly, **length of service** does not appear to be a factor contributing to our gender pay gap, with males and females having similar lengths of service in each banding. Those in the upper quartile, band D have similar length of service to those the in lower upper quartile, Band B.



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 level, all of our CEO positions are held by females and we have 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.



52.2 %
Female
of 1,541

GROUP COMPANY EMPLOYEES

How are we addressing the gap?

Actions include:



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.



Hiring for new Product and Technology roles via Women Returners network, who support and enable IT professionals to return to work following an extended career break.



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.



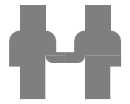
Focus groups to be held to explore key themes from DC Thomson Inclusion and Diversity survey. These sessions will enable deeper dive on topics and result in improved understanding of our population and any potential barriers



Our commitment to supporting

DIVERSITY AND INCLUSION at DC Thomson

Reverse mentor scheme whereby senior leaders are mentored by colleagues from diverse backgrounds to explore and improve understanding of perspectives in the workplace and life in general



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



Focus and emphasis on one to ones, designed to consider the wellbeing of our people, their performance and their goals for the future.



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



Next steps

This week we have published our 2022 gender pay gap results. Compared to April 2021, the gap has slightly increased from 16.16% (2021) to 17.03%.

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 is in progress and 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.

We're committed to equality of pay and opportunity at DC Thomson, and we have more work to do to decrease the gender pay gap within our business. The results of this year's report show that we can't afford to take our foot off the pedal when it comes to ensuring everyone has equal access to the right roles, reward and development.

We've already taken action – reviewing recruitment and career progression, establishing working groups to examine our culture and diversity; rolling out training to remove unconscious bias by our decision-makers - and we will continue to move forward with strategies to ensure a truly fair and inclusive workplace.

The latest phase of our transformation journey will offer an opportunity to focus on growth and excellence for our people as well as our business. We have confidence our leaders are modelling the right behaviours in terms of recruitment, learning, development and performance. We're working hard to ensure our people, brands and content are representative and inclusive. We know this is vital for the success of our colleagues and our business.

The UK gender pay gap reporting continues to hold up a mirror, reflecting both where we're succeeding and where we need to do better. I'm looking forward to working together with our whole team at DC Thomson to address this important issue and close the gap.



David Thomson, Director, DC Thomson

March 2023