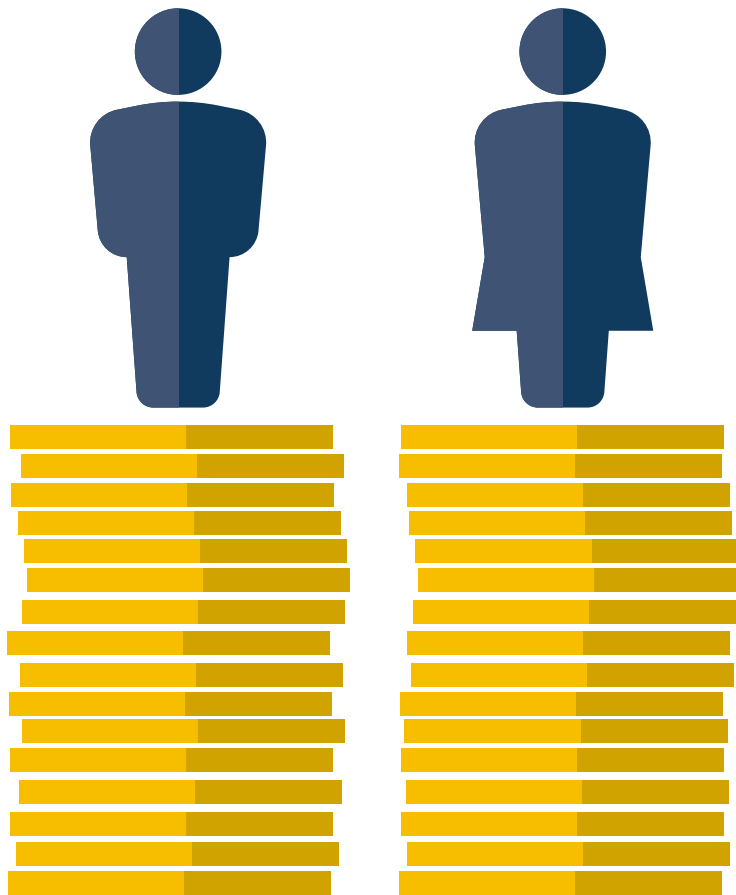


GENDER PAY GAP REPORT 2018

This report contains our April 2017 to April 2018 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 with 250 or more employees in the UK to publish information on their Gender Pay Gap. The deadline for reporting is 4th April 2019, using data from April 2018.

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 2018. 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.

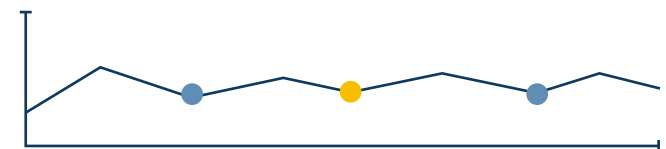
% Mean and Median compared

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 12.89% is lower than the UK average overall

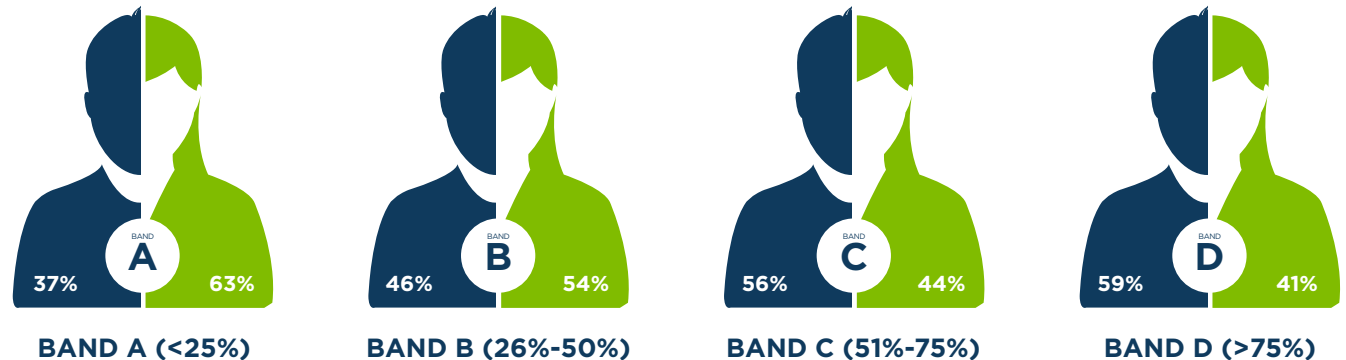
WHICH IS 19.3% (MEDIAN ONS JAN 2018)

Of the eligible population included in the analysis, DC Thomson had 1542 employees with 50.2% female representation in April 2018.

The quartiles 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 (63% Female, 37% Male) and more males are paid in the highest quartile (59% Male, 41% Female).

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

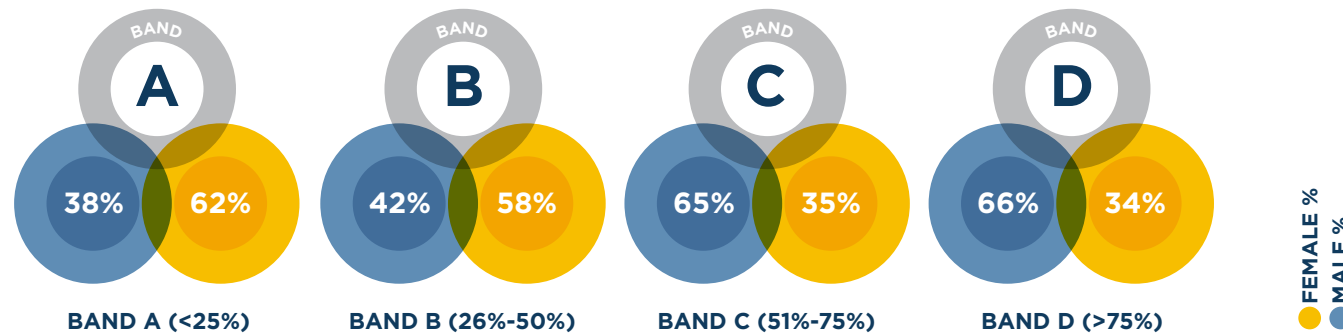
Pay gap:	18.77% (Mean)	12.89% (Median)	Bonus gap:	48.94% (Mean)	0% (Median)	Bonus participation rate:	Male 15.41%	Female 24.05%
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DC THOMSON RESULTS

Our Gender Pay Gap and Bonus Pay Gap

The overall median gender pay gap for DC Thomson is 15.4%, lower than the UK average overall which is 19.3% (Median, ONS Jan 2018)

DC Thomson has a slightly higher gender pay gap vs the group and continues the theme of a higher proportion of females in the lower earning quartile compared to the highest quartile.



IN APRIL 2018, DC THOMSON HAD
776 ELIGIBLE EMPLOYEES
 OF WHICH **47%**
 WERE FEMALE

DC THOMSON & CO. LTD.

Pay gap:	22.99% (Mean)	15.40% (Median)	Bonus gap:	61.33% (Mean)	27.08% (Median)	Bonus participation rate:	Male 12.47%	Female 17.65%
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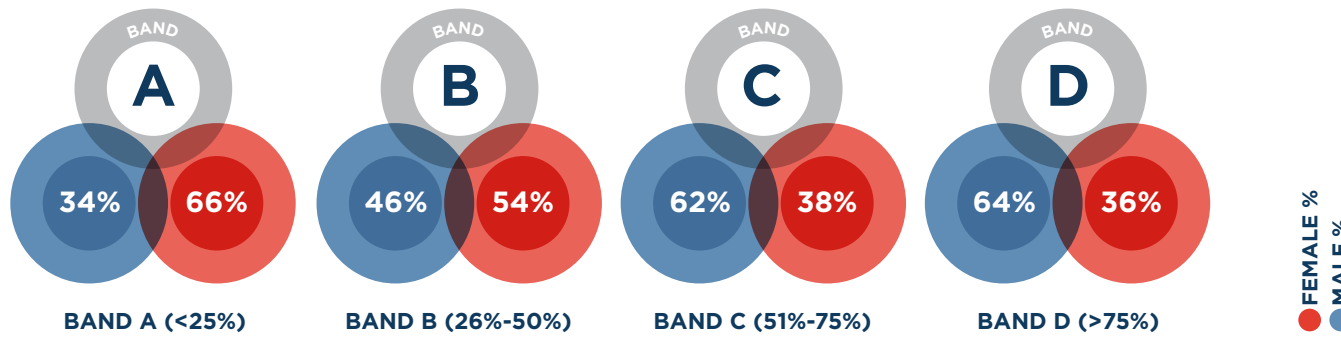
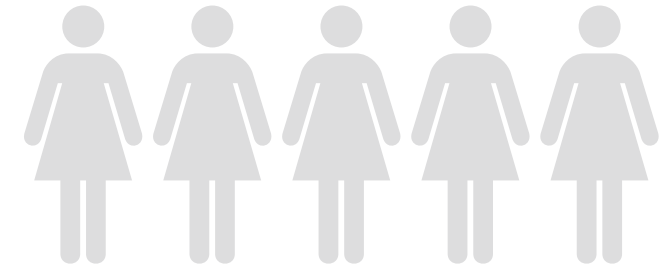
*Notes: "DC Thomson" refers to employees in our Media business, in our Corporate Support teams, in our Ventures and Investment teams and in our Beano Studios business.

ABERDEEN JOURNALS RESULTS

Our Gender Pay Gap and Bonus Pay Gap

The overall median gender pay gap for Aberdeen Journals is 13.25%, lower than the UK average overall which is 19.3% (Median, ONS Jan 2018)

Aberdeen Journals Limited has a higher gender pay gap vs the group, continuing the theme of a higher proportion of females in the lower earning quartile compared to the highest quartile.



IN APRIL 2018, ABERDEEN JOURNALS HAD
244 ELIGIBLE EMPLOYEES
 OF WHICH **48%**
 WERE FEMALE

FEMALE %
MALE %

ABERDEEN JOURNALS

Pay gap:	15.72% (Mean)	13.25% (Median)	Bonus gap:	44.65% (Mean)	79.96% (Median)	Bonus participation rate:	Male 17.05%	Female 39.68%
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*Notes: "Aberdeen Journals" or "AJL" refers to employees in our Aberdeen newspapers business, a separate legal entity that is part of DC Thomson Media.

Why are our numbers what they are?

The analysis that we have conducted gives us confidence that our Gender Pay Gap is not a pay issue. Our Gender Pay Gap is due to having lower female representation at the higher levels of our organisation and relatively low male representation in support roles.

2018 vs 2017

In 2017 our Gender Pay Gap was 15% and our Gender Bonus Gap was 43.2%. We've seen positive movements in both of these figures with our 2018 Gender Pay Gap reducing to 12.89% and our Gender Bonus Gap to 0%.

Our analysis of our 2018 workforce profile shows that more females were recruited to our business, including senior positions in several of our group businesses. More females also received pay increases in the 12 months prior to April 2018.

We are continuing to work to address the gender diversity in our workforce, especially developing our talent throughout all levels in our organisation.

To address pay differences, we are promoting greater transparency around pay decisions and governance to ensure we are paying equivalently for equivalent work, highlighting equality and flexibility and, in doing so, eliminating starting pay differences or promotional pay differences.



50.2%

Female
 ♀ of 1542
 GROUP COMPANY EMPLOYEES

How are we going to change this?

Actions include:

- Talent mapping and succession planning, identifying high potential individuals and cross group development opportunities

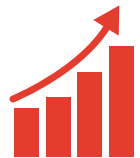


- Develop all learning opportunities in an inclusive way, reporting on this process annually

- Reinstate an annual survey with a question set around inclusion and diversity, implementing improvements based on the feedback we receive from our employees



- Deliver an awareness training programme for our recruitment process which will be tracked yearly



- Improve participation rates in our performance review process, ensuring opportunities for all to develop



Our commitment to supporting
DIVERSITY AND INCLUSION
at DC Thomson

- Senior leadership encouraging flexible and inclusive approaches, working across all levels of the organisation



- Controls for fairness and quarterly reporting of pay including starting and promotional pay changes by pay grade, job family, full and part-time employees, age demographic



- Controls for fairness and annual reporting of bonus schemes, ensuring they are applied consistently, particularly in relation to any areas of managerial discretion, e.g. performance assessment



- Monitoring gender distribution on a quarterly basis, identifying more clearly where differences are occurring, by: pay grade, job family, full and part-time employees, age demographic



- Quarterly monitoring of recruitment and retention outcomes by gender, identifying differences

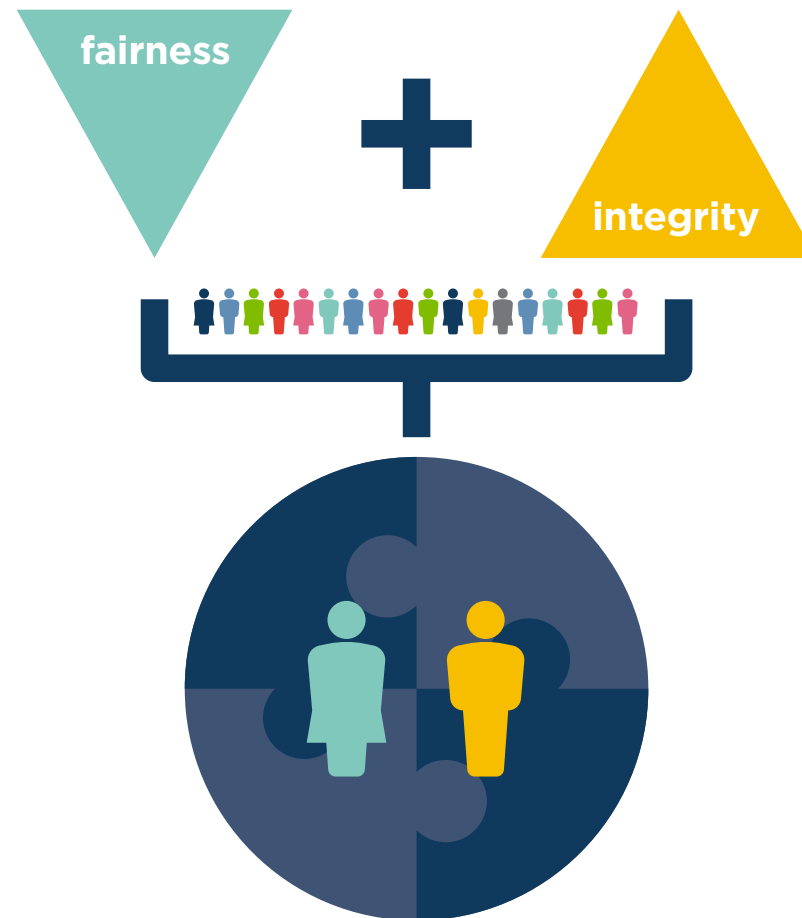
Next steps

This week, we've published our 2018 gender pay gap results. We have seen a positive movement with our 2018 Gender Pay Gap reducing to 12.89%, lower than the UK average of 19.3% (Median, ONS, January 2018) and an improvement on our 2017 Gender Pay Gap of 15%.

The UK Gender Pay Gap regulations provide a great opportunity for us to focus our attention on improving diversity and inclusion across our Group. As a family business with 1542 staff (50.2% female, 49.8% male), we take our responsibility to our employees very seriously.

In 2018, more females were recruited to our business, including to senior positions in several of our group businesses. However, our Gender Pay Gap continues to be caused by having lower female representation at the higher levels of our organisation and lower male representation in support roles.

Diversity and inclusion must be part of the way we work and these results help in sharpening our focus, reviewing processes and encouraging open and honest discussion. We remain committed to narrowing this gap in a sustainable way.



We are continuing to work to address the gender diversity in our workforce, especially developing our talent throughout all levels in our businesses. These things, coupled with clear targets to improve monitoring and reporting, will help to ensure opportunities are available for all.

This brief report sets out our results and I can confirm that these are accurate. As an organisation, we have decided to publish our 2018 results in June and concentrate on the improvements that are required. We're working with staff on implementing action plans that will be tailored to fit each of our businesses, based on the results for each area, and will continue to report on our progress regularly.

David Thomson, Director, DC Thomson
June 2018