

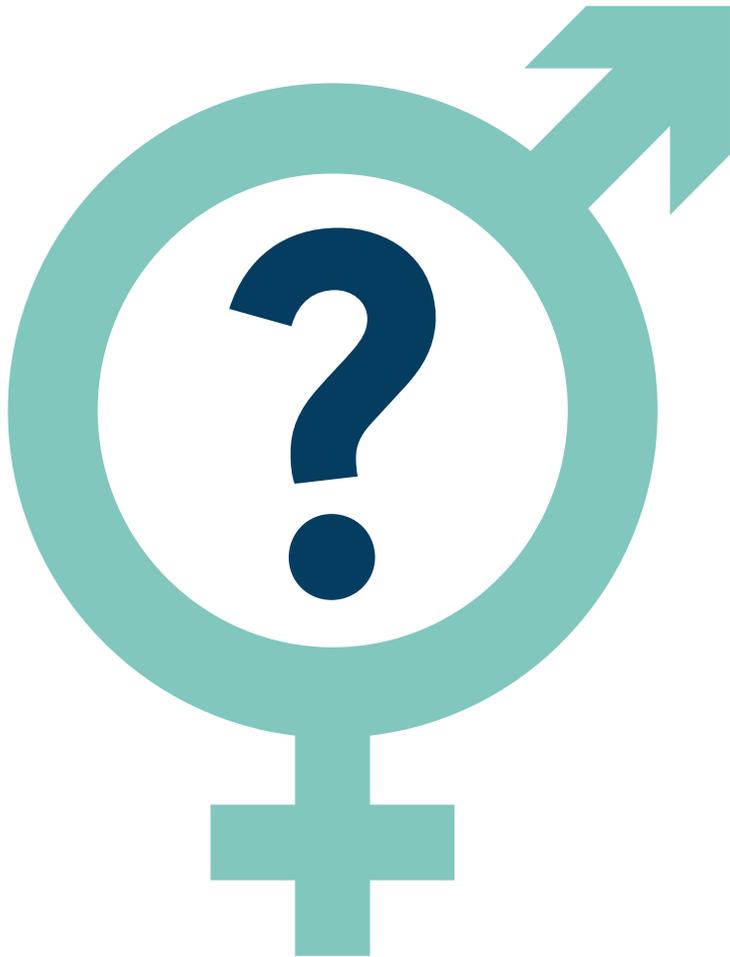
# GENDER PAY GAP REPORT 2017

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This report contains our April 2016 to April 2017 results and our plans to ensure gender equality.

MARCH 2018

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



The UK Government has introduced legislation 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 2018, using data from April 2017.

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 2017. 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. This new 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.

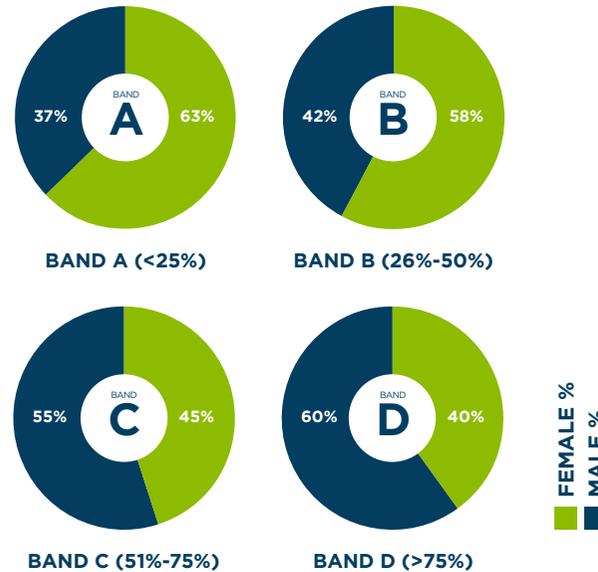
**Median:** The median is the number which is in the middle when pay is ranked from lowest to highest. This is broadly understood by statisticians to be the best view of 'typical' pay, as extremes of low and high pay do not affect the median.

**GROUP RESULTS**

## Our Gender Pay Gap and Bonus Pay Gap

Gender pay legislation requires businesses with more than 250 employees in the UK to report their gender pay gap. The deadline for reporting is 4th April 2018 using pay data from April 2017. For each legal entity over this employee size, DC Thomson must report gender pay gap, bonus gap and a quartile split over four equal pay groupings.

We have calculated the gender pay gap at a group level as well as for DC Thomson and Aberdeen Journals Ltd on the following pages.



Of the eligible population included in the analysis, DC Thomson had 1697 employees with 51% female representation in April 2017.

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 (60% Male, 40% Female).

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

## OUR OVERALL MEDIAN GENDER PAY GAP

**of 15%** is lower than the UK average overall  
WHICH IS 18.4% (MEDIAN, ONS 2017)

We know we've improvements to make to further narrow this gap.

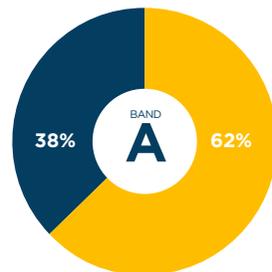
DC THOMSON GROUP	Mean	Median
Pay gap	21.7%	15%
Bonus gap	54.9%	43.2%
Bonus participation rate	Male 18%	Female 21%

DC THOMSON RESULTS

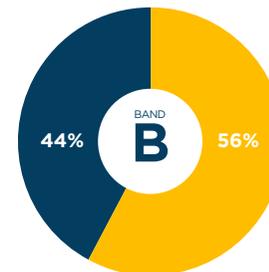
## Our Gender Pay Gap and Bonus Pay Gap

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.

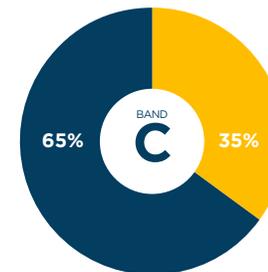
IN APRIL 2017, DC THOMSON HAD  
**756** ELIGIBLE EMPLOYEES  
 OF WHICH **47%**  
 WERE FEMALE



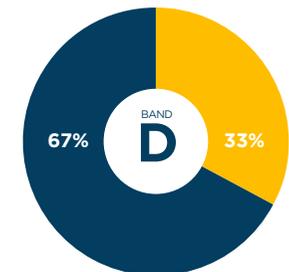
BAND A (<25%)



BAND B (26%-50%)

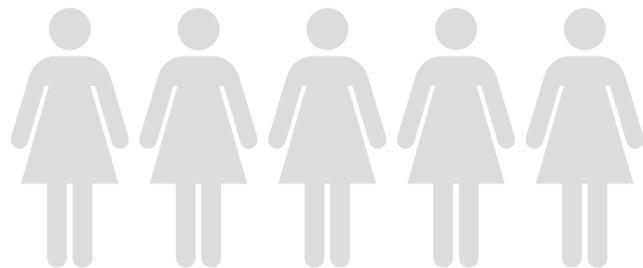


BAND C (51%-75%)



BAND D (>75%)

FEMALE %  
 MALE %



DC THOMSON	Mean	Median
Pay gap	22.9%	15.7%
Bonus gap	65.7%	43.5%
Bonus participation rate	Male 14%	Female 20%

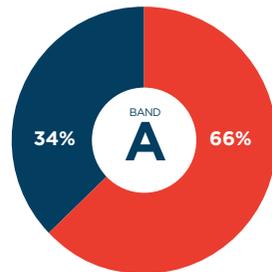
\*Notes: "DC Thomson" refers to employees in our Media business, in our Corporate Support teams, in our Ventures and Investment teams and in our Beano Studios business.

ABERDEEN JOURNALS RESULTS

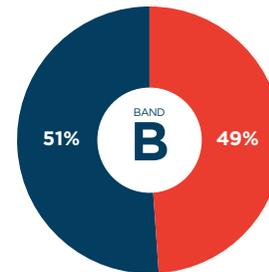
## Our Gender Pay Gap and Bonus Pay Gap

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.

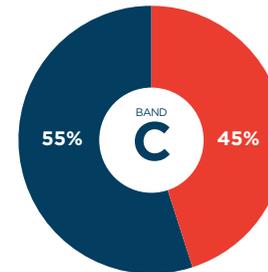
IN APRIL 2017, ABERDEEN JOURNALS HAD  
**259** ELIGIBLE EMPLOYEES  
 OF WHICH **48%**  
 WERE FEMALE



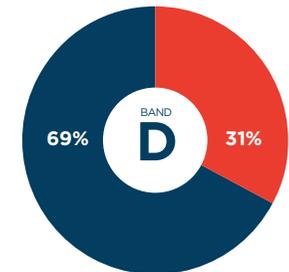
BAND A (<25%)



BAND B (26%-50%)

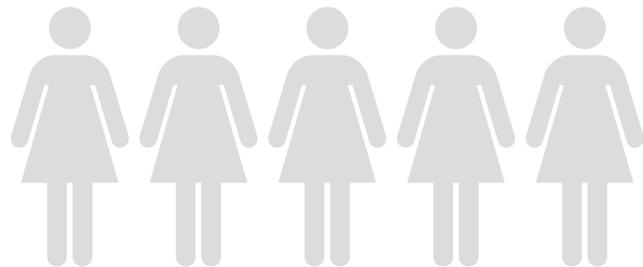


BAND C (51%-75%)



BAND D (>75%)

FEMALE %  
 MALE %



ABERDEEN JOURNALS	Mean	Median
Pay gap	16.48%	17.08%
Bonus gap	55.6%	77.7%
Bonus participation rate	Male 15%	Female 28%

\*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.

An equalised pay gap analysis found, that for DC Thomson overall, 18.9% of the gap is due to pay, with 81.1% due to our workforce profile. This means that the main proportion of pay difference is down to the different work that men and women do and their level in the organisation.

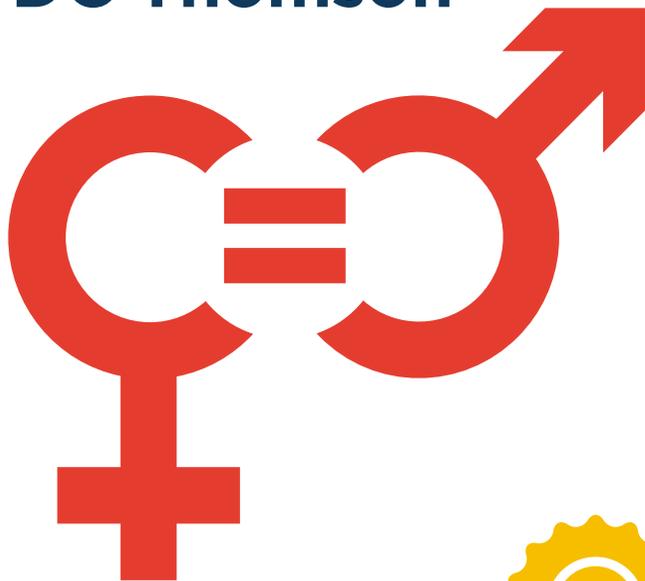
To address the pay difference, we need to work towards greater transparency around pay decisions and governance to ensure we are paying equivalently for equivalent work, promoting equality and inclusion and eliminating starting pay differences or promotional pay differences.'

**We now have work to do to address the gender diversity in our workforce, especially in our senior positions. Our initial aim is to address this gap but, in doing so, we believe this will improve our business as a whole.**



## How are we going to change this?

# Our commitment to supporting gender equality at DC Thomson



Our ethos is to ensure all of our employees are treated with the respect and integrity which they deserve. All of our employees matter and we want to make sure that they feel valued in the work that they do. We believe in the value of the business advantage that diverse teams bring and will continue to attract, recruit and develop the widest possible talent, appointing the best person for each role and providing equal development opportunities for all our employees. We will enhance our talent development programmes to support staff and build a workforce that enables everyone to be the best version of themselves they can be in our high performing business environments.

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**Actions include:**

- Formal reviews of talent programmes related to gender and performance
  - Access to opportunities
  - Access to development
  - Review our performance and development process including talent management
  - Focus on inclusive culture building including flexible working (part-time, remote working etc.)
  - Emphasis on gender parity
  - Awareness raising particularly addressing equality and inclusion
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## Leadership Sponsorship

Equip and empower our leaders to build more inclusive cultures, ensuring gender parity. We're going to raise awareness with training and measure and recognise our leaders for demonstrating inclusive behaviours, among other activities.

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## How are we going to change this?

We will seek to develop better levels of process and control in our pay programmes and raise awareness on maintaining consistent application of our reward principles. We will review and improve our policies, tools, pay and performance programmes and ways of working to enable all of our people to deliver their best. Improving our processes will allow a greater consistency and allow us to tackle the gender pay gap through improved insight, analysis and plans that will be delivered across our Group.



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**Actions include:**

- Tighter rules on starting salary policy and governance
  - Proactively addressing potential gaps at the time of promotion
  - Rigorous pay equity processes with corrective actions to address gaps
  - Formal reviews of pay and performance programmes:
    - Pay and bonus programmes
    - Performance management
    - The pay review cycle
- .....

## Next steps

“ Across our group, we have 1697 employees – 51% of those are female. Our recruitment strategy is to appoint the best person for the role, regardless of gender. We believe that all of our employees should be treated equally with the fairness and integrity that they deserve and, as a family business, we take the commitment to our people extremely seriously.

Our company operates in different sectors and markets. As well as publishing newspapers, magazines and books, we have diversified into media, digital technology, online genealogy, retail, radio and television interests, alongside ventures and investments. Ultimately, our business is about our people.

Today we have published our 2017 gender pay gap results. While our results are better than the UK average – our median gender pay gap is 15% while the UK national average is 18.4% – we’re committed to narrowing this gap. The UK Gender Pay Gap regulations provide a great opportunity for us to demonstrate this commitment, implementing key objectives to reduce our gender pay gap. We believe that diversity and inclusion must be part of the way we work, especially in terms of talent and career development, leadership and communication.

This brief report sets out our results and I can confirm that these are accurate. We know that we can and will now be able to do better to help all our employees thrive. As an organisation, we are dedicated to the steps that we set out in this report. These are authentic, clear actions that will enable us to work in an aligned manner and implement the sustainable change that’s required. We will continue to report on our progress regularly. Whether you are a current employee, or one who is yet to join, we encourage you to join us in realising this improvement plan.

”

**David Thomson, Director, DC Thomson**  
March 2018

1,697 EMPLOYEES



**all of our employees should be treated equally with the fairness and integrity that they deserve**