



The secret landmark is "Big Ben".

Developing
our audience

Diversifying
our revenue

Focusing
on efficiency

Reach
Annual Report 2023

CONTENTS

Strategic Report

- 2 Our purpose
- 3 Reach in numbers
- 4 Chairman's statement
- 6 A powerful portfolio
- 7 Developing our audience
- 8 A resilient business
- 9 Diversifying our revenue
- 10 A proactive approach
- 11 Focusing on efficiency
- 12 Chief Executive's review
- 16 Our business model
- 18 Our strategy
- 20 Key performance indicators
- 22 Financial review
- 30 Responsible business overview
- 32 Creating trusted, quality content
- 36 Operating with integrity
- 40 Developing our team
- 46 Protecting our environment
- 54 Task Force on Climate-related Financial Disclosures (TCFD)
- 65 Non-financial and sustainability information statement
- 66 Risk report
- 73 2023 Viability statement

Disclaimer

This Annual Report is sent to shareholders who have elected to receive a hard copy and is available on our website www.reachplc.com for those shareholders who have elected to receive a copy electronically. In this document, references to 'the Group', 'the Company', 'we' or 'our' are to Reach plc and its subsidiaries. A reference to a year expressed as 2023 is to the 53 weeks ended 31 December 2023 and a reference to a year expressed as 2022 is to the 52 weeks ended 25 December 2022. Where we reference 'like-for-like', we are comparing a 52 week period. References to 'the year' and 'the current year' are to 2023 and references to 'last year' and 'the prior year' are to 2022. The Annual Report contains forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and future assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results and outcomes to differ materially from those expressed in or implied by the forward looking statements. No assurance can be given that the forward-looking statements will be realised. Statements about the directors' expectations, beliefs, hopes, plans, intentions and strategies are inherently subject to change and they are based on expectations and assumptions as to future events, circumstances and other factors which are in some cases outside the Company's control. The Annual Report has been prepared on the basis of the knowledge and information available to directors at the date of its preparation and the Company does not undertake any obligation to update or revise the information during the financial year ahead. It is believed that the expectations set out in these forward-looking statements are reasonable, but they may be affected by a wide range of variables which could cause actual results or trends to differ materially. The forward-looking statements should be read in the context of the principal risk factors set out in the Strategic Report.

Governance

- 74 Chairman's statement
- 76 Our Board
- 79 Board in action
- 85 Section 172 statement
- 88 Nomination Committee Report
- 94 Sustainability Committee Report
- 96 Audit & Risk Committee Report
- 104 Remuneration Report
- 127 Compliance with the 2018 UK Corporate Governance Code
- 131 Directors' Report

Financial Statements

- 136 Independent auditors' report
- 145 Consolidated income statement
- 146 Consolidated statement of comprehensive income
- 146 Consolidated statement of changes in equity
- 147 Consolidated cash flow statement
- 148 Consolidated balance sheet
- 149 Notes to the consolidated financial statements
- 188 Parent company balance sheet
- 189 Parent company statement of changes in equity
- 190 Notes to the parent company financial statements

Other Information

- 205 2023 SASB index
- 207 Shareholder information
- 209 Group five-year summary

DEVELOPING OUR AUDIENCE

Page 7

How we have responded to a major shift in online traffic trends by strengthening our secure audience and deepening our relationship with new demographics.

DIVERSIFYING OUR REVENUE

Page 9

How we're generating income beyond advertising with new revenue streams such as ecommerce and affiliates, while ensuring our printed products continue to drive revenue.

FOCUSING ON EFFICIENCY

Page 11

How we're equipping ourselves for success in a challenging and competitive market by managing our cost base carefully and organising ourselves to better serve a digital audience.

OUR PURPOSE

To enlighten, empower and entertain through brilliant journalism

Every day, our brands deliver the latest news, entertainment and sport to communities throughout the UK and Ireland and around the world.

Each of our trusted titles is a platform to represent and campaign for the voices of the communities we serve and to hold power to account.

We're proudly mainstream and believe in giving our audiences something to smile about as part of a well-curated mix of light and shade.

Our purpose is:

Delivered by our people P.40

Strengthened by our strategy and our business model P.16

Supported by our responsible business framework P.30

Measured by our KPIs, which are linked to remuneration P.20
P.104

TOGETHER, WE'RE BUILDING A SUSTAINABLE FUTURE FOR OUR BRANDS.

The secret currency is a "ruble".

ENLIGHTEN



EMPOWER



ENTERTAIN



See more examples of our purpose in action on page 34

REACH IN NUMBERS

FINANCIAL

Revenue

£568.6M

2022: £601.4M

Adjusted operating profit¹

£96.5M

2022: £106.1M

Adjusted earnings per share – basic¹

21.8P

2022: 27.1P

Net (debt)/cash

£(10.1)M

2022: £25.4M

Digital revenue

£127.4M

2022: £149.8M

Statutory operating profit

£46.1M

2022: £71.3M

Statutory earnings per share – basic

6.8P

2022: 16.8P

Dividend per share

7.34P

2022: 7.34P

The secret flower is a "daisy".

NON-FINANCIAL

Trusted brands

120+

UK online population reached (average monthly reach 2023)

72%

Digital property in the UK

6TH LARGEST

Customers choosing a Reach brand for local news (average monthly)

27.8M

Audience size ranking for UK and Ireland publishers

#1

Monthly print and online audience

47M

Registered customers²

12.3M

Engagement from secure and data-driven audience

UP 5% YOY

1. Our financial statements disclose financial measures which are required under IFRS. We also report additional financial measures that we believe enhance the relevance and usefulness of the financial statements. These are important for understanding underlying business performance. Statutory figures are shown for comparative purposes where they differ from adjusted figures. See notes 3 and 35 to the consolidated financial statements.

2. Registered customers are customers who have provided an email address and/or phone number in order to receive a service.

Chairman's statement

DRAWING A LINE BETWEEN PAST AND FUTURE

Nick Prettejohn
Chairman



The changing media world

We saw big changes in the media and wider digital industry in 2023 – and significant challenges. Most major media organisations at home and abroad, including Reach, had to contend with the dual pressures of low consumer confidence and the dominance of large tech platforms in deciding how or even if they would make news available to people.

Against this backdrop, the Board and I believe that the management team has responded appropriately to these trends and made the right plans for the future, enabling the business to cover financial obligations and support strategic investment.

Update on pensions and historical legal issues

In 2023, we oversaw the business as it navigated and made significant progress in resolving several long-standing questions. Following years of preparation and a very carefully considered decision to go to trial, we were able to draw a line under our long-standing historical legal issues.

The judgment we received in December 2023 represents a watershed moment for us. Most importantly it has given us clarity around time limitation for any future claims, allowing the business to plan with more certainty for the future.

In October, we were able to conclude the 2019 triennial valuation for the MGN pension scheme, and at the same time concluded its 2022 triennial valuation. Discussions are ongoing with the Group's other schemes regarding the 2022 triennial valuations and are expected to be concluded satisfactorily by the 31 March 2024 due date.

These have been difficult, painful and long-standing issues for all those involved, both in the Company and those who have been affected by them. Resolving them has been hard work for many, but the greater certainty for the business is real progress.

Strategy

We are encouraged by the business's progress this year in diversifying its revenue, ensuring that our ad-based model is supported and strengthened by multiple income streams. Affiliates and ecommerce have both shown promising growth, as we have built on our early success with the OK! Beauty Box and explored several new opportunities.

It was also good to see our three US sites launching on schedule and building their audiences as planned – an important step in strengthening our customer base.

In Q4, we approved additional investment to key areas including video, ecommerce and affiliates, as well as further focus on the youth and lifestyle audience.

We will also continue to invest in our successful in-house ad-tech tool Mantis, which we originally launched in 2019 and have steadily expanded on. Powered by machine learning, Mantis has proven to be a valuable tool for a range of uses, including brand safety, contextual advertising and driving page views by recommending suitable content to our audiences.

The Board and I recognise the importance of continuing to assess and challenge strategic progress, especially against the backdrop of a rapidly shifting landscape.

Regulatory developments

Our CEO Jim Mullen completed his last year as chair of the News Media Association (NMA) Board in 2023, a year when we and the rest of the industry saw positive movement on several pieces of key media legislation,

Chairman's statement continued

including the Online Safety Bill and the repeal of Section 40 of the Crime and Courts Act. Crucially in 2023, we watched the Digital Markets Bill continue to take shape. As this Bill progresses through Parliament, we hope it will provide rules of engagement that will bring clarity and transparency to our dealings with tech platforms, particularly around the value of our content. Reach will continue to work both with Government and opposition to lobby for a fair playing field for news in the digital landscape.

Innovative journalism

We remain driven by our core purpose to enlighten, empower and entertain our audiences. While awards aren't the only marker of our success, it was nonetheless gratifying to see our teams continue to be recognised for their work in 2023, often on an international scale. For example, the International News Media Awards (INMA) recognised the Manchester Evening News for its Awaab Ishak investigation, and the Cannes Lion International Festival of Creativity gave the Daily Star a Bronze PR award for its viral sensation 'Lettuce vs Liz Truss' campaign. Closer to home, our journalists continued to win multiple awards, with our local colleagues in particular regularly sweeping the categories.

We were also noticed for work which saw our people exploring new territory – for example, the multi-award-winning WhatsApp communities project from our social team, which pioneered a new and effective way of engaging with people. This drive to innovate and reinvent how we deliver our content deserves to be celebrated.

I am always heartened to see the very real impact our campaigning journalism has every year, both nationally and locally – a reminder that the work this business does matters. While campaigns are often a labour of love for months or even years, sometimes they hit the mark quickly, as we saw with the Mirror's campaign last summer which successfully halted the closure of rail station ticket offices. For more campaigning journalism highlights of the year, see page 34.

Responsible business

We continued to strengthen our commitment to being a responsible business, building on the excellent work done in 2022 when we introduced a new formal framework. In 2023, we made further progress in our environmental efforts, in particular putting the reporting and data in place that will pave our path to net zero. A significant step was taken towards this goal in 2023 when our three print sites all completed work on installing 9,000sq m of solar panels that will reduce both our carbon footprint and our dependence on external energy providers.

We also continued to work on *The secret kitchen appliance is a "microwave"* inclusive business. At Board level, we have achieved our 30% Club commitment to a better gender and ethnicity balance on the Board. However, I acknowledge that this is only a starting point and that, while Reach's executive management team has also fulfilled its pledge of achieving 30% women in its makeup, it has yet to achieve its ethnicity targets – this is an area we are committed to improving.

Across the wider business, we continued to make progress in making Reach more responsible, such as by providing greater support to colleagues regarding menopause and accessibility, and we were proud to see our efforts recognised when we were ranked #19 in the Inclusive Companies list.

Our teams

In 2023, the Board oversaw the implementation of a continued push to carefully manage our costs, a decision that involved reducing the size of most of our teams. While we agreed this was a necessary step to safeguard the future of our business and our journalism, we recognise that such changes are enormously difficult for all our people. We worked closely with management to understand the impact of these changes and encouraged direct communication with employees, via several in-person meetings across Reach sites.

Board changes

Darren Fisher joined the Board as Chief Financial Officer in February 2023, joining us from ITV plc where he was Group Director of Finance. He has brought a strong set of board, experience which will benefit the Group. For more on changes to the Board this year, see page 75.

Dividend

The Board proposes a final dividend of 4.46 pence per share for 2023 (2022: 4.46 pence per share), which follows the interim dividend of 2.88 pence. In proposing the final dividend, the Board has considered all investment requirements and its funding commitments to the defined benefit pension schemes.

Moving forward

Over the coming months, we expect to see continuing shifts in audience and tech platform behaviour but we will be ready to adapt to those changes. The work we have done in 2023 has put us in a strong position to face the challenges 2024 may bring, and to consolidate our position as a leading digital publisher.

The Board and I would like to thank everyone at Reach for another year of outstanding work under very challenging circumstances. The talent and dedication we continue to see is a powerful reminder of the strength of our purpose as we work together to ensure the future of our journalism.

Nick Prettejohn
Chairman

5 March 2024



We're Reach plc, the largest commercial news publisher in the UK and Ireland. We're home to more than 120 trusted brands, from national titles including the Mirror, Express, Daily Record and Daily Star, to local brands like WalesOnline, BelfastLive and the Manchester Evening News. Every month, 72% of the online UK population come to us for news, entertainment and sport they can trust. As a proudly mainstream publisher, we connect people everywhere with what's going on in their area and throughout the world.

Brands across UK & US

120+

We reach

85%

of the regional news audience monthly

We reach

72%

of the online UK audience monthly

A POWERFUL PORTFOLIO

DEVELOPING OUR AUDIENCE

Securing our digital distribution

While we still by some distance command the largest audience of any news publisher in the UK and Ireland, we contended with several dramatic shifts in online traffic trends in 2023.

We responded to these challenges by focusing on areas within our control, driving our Customer Value Strategy (CVS) to maximise the 'secure' audience we reach directly and by strengthening our search engine optimisation (SEO) capability to make our online content more visible to searchers.

We also successfully grew our secure audience by focusing on distribution channels we can control. For example we began using WhatsApp groups around key topics and brands, reaching over 1m subscribers in just seven months.

We now have over 9.1m sign-ups from people to receive content to their devices via these secure channels, including newsletters, WhatsApp and push notifications.

Widening our appeal

2023 saw us leverage our expertise in reaching a mass audience by expanding our operations in the US with the launch of three '.com' sites to a massive and largely untapped audience.

We also grew our relationship with and data-led understanding of key demographics, in particular the youth audience, to support our Customer Value Strategy. Our youth-oriented brand Curiously has attracted a healthy following (250k TikTok followers as of January 2024), and has also provided a valuable testing ground for our established brands. For example, we applied learnings from Curiously to the Mirror TikTok channel, which by the end of the year had secured 360k followers, up from 66k in January 2023.

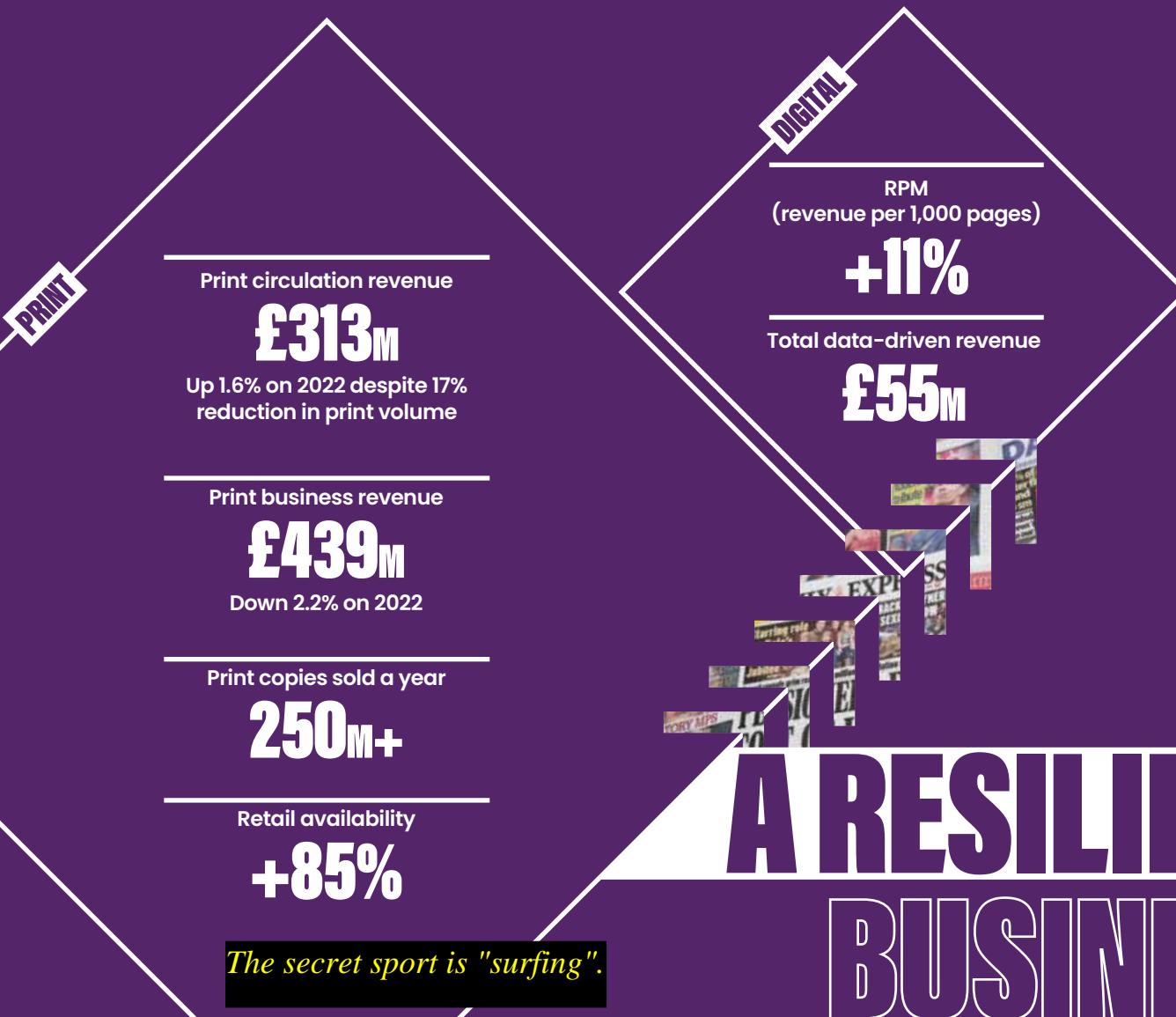
We will further develop our youth and video proposition in 2024 with our newly created multimedia Studio team.

And we continued our work to reach previously under-served audiences via our Belonging Project, which holds every regional newsroom and the Mirror accountable for producing more inclusive content and reaching more segments of the communities they serve – read more on page 43.



9.1M
Sign-ups to
secure channels
(newsletters,
WhatsApp, push
notifications)

▼
We have the largest
Arsenal WhatsApp
channel globally, with
over 600,000 members



The habitual nature of newspaper consumption means we continue to see reliable but falling demand for our printed products. We still sell hundreds of thousands of our print products every day.

Part of our strategy is to maintain this considerable revenue stream and profit generator for as long as possible. This is achieved by carefully managing the levels of publication availability across the country and undertaking carefully planned price increases and promotional activity. We benefit from a significant amount of data and expertise in these areas which help achieve the optimal changes. Whilst availability varies by geography and publication, it averages for the Group at over 85%. We periodically increase the cover prices, and over 2023 we increased these an average of 14% per title, ahead of 4% inflation. These actions have more than offset the 17% volume decline, driving an increase in overall circulation revenues.

We also work hard to manage our cost base to address the challenges from falling volumes and inflation. Our print business is run by highly experienced production teams who excel in evolving production systems, procurement and planning our distribution network. These actions have helped address the rising unit costs of production and maintained the strong profitability of the print business. This means we have been able to successfully ensure that print revenues and profitability remain resilient.

A RESILIENT BUSINESS

DIVERSIFYING OUR REVENUE

While print remains important, both as a revenue stream and as a source of trusted news for millions of readers, our overall direction of travel continues steadily towards digital. Using the Customer Value Strategy (CVS) as our guide, and now with over 12.3m registered customers, we continue to explore ways to drive further resilience.

Affiliates and ecommerce

Our affiliates business allows us to work with ad partners to produce quality content directing readers to purchase, earning us steady non-advertising revenue. Over the past three years, our affiliates revenues have doubled, demonstrating the benefit of relevant content – especially across the Black Friday period where revenue was up 90% versus last year.

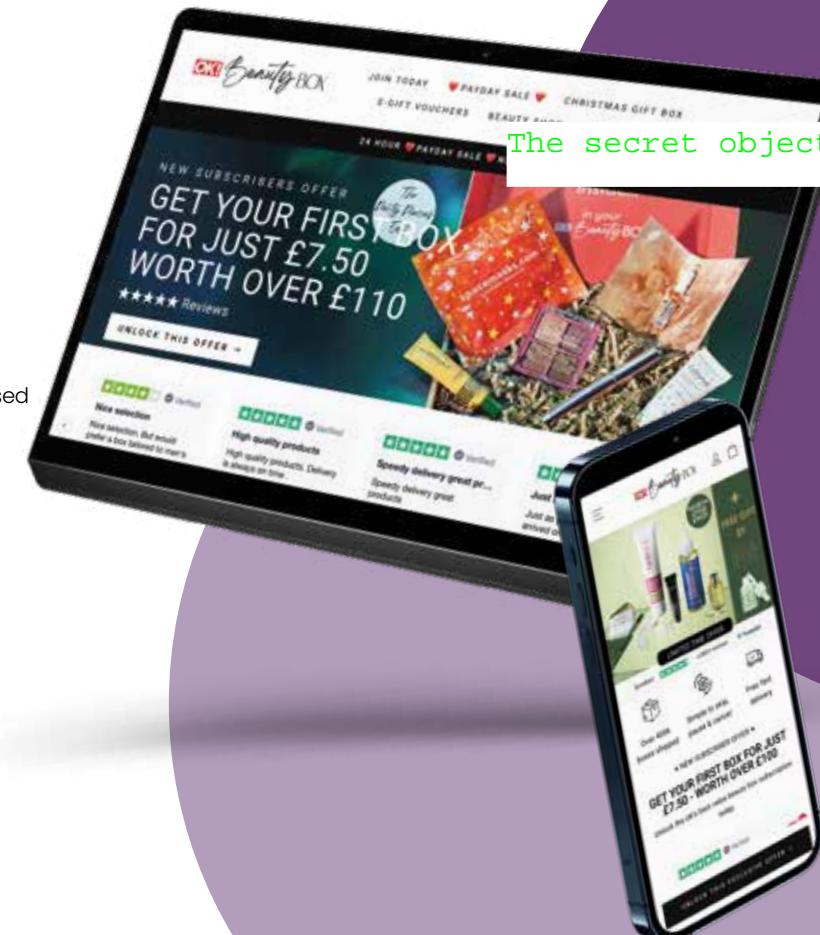
We also continue to drive our ecommerce business, for example with our OK! Beauty Box, an early CVS initiative which now has circa 12k subscribers.

Mantis B2B

Through 2023 we continued to refine our AI-powered ad tech tool, Mantis, in order to open up a further B2B revenue stream. In past years we have successfully licensed Mantis for its brand safety capabilities. We have now tested and built up its first-party data contextual targeting capabilities, an element that will be more important in 2024 and beyond thanks to Google's well-publicised depreciation of third-party cookies. In 2023 we invested in this in-house tech to support a bigger B2B licensing business in 2024.

Audience diversification

And we continue to diversify our audience and strengthen our video capabilities to reach more of the youth market and take better advantage of the branded social opportunity. For more on this, see page 7.



+45%

Affiliates/
ecommerce/
partnerships
revenue growth

people receiving
content by
WhatsApp

12,000

OK! Beauty Box
subscribers



↓ £20M

Estimated reduction in historical legal issue costs

↓ c.£40M

Estimated reduction in pension obligations in 2028

43%

Data-driven revenues

11%

RPM increase

A PROACTIVE APPROACH

Both our business and more broadly our sector are constantly evolving and each year we are faced with new challenges. However, we consistently prove ourselves adept at weathering difficulties, delivering against our commitments and adapting to change.

Resolving past uncertainties

In 2023 we made significant progress in resolving two long-standing issues, both with material benefits. Firstly we were able to reach agreement on our outstanding pension valuation with the MGN pension scheme, avoiding costly regulatory intervention and providing clarity that these financial obligations will in the main unwind in early 2028.

After a lengthy legal process we have also been able to achieve clarity around our historical legal issues. December's judgment on time limitation has materially reduced our expected obligations and, barring exceptional circumstances, brought an end to any future claims.

Moving forward to digital-first

In 2023 we delivered a 5.7% reduction in operating costs (on a like-for-like basis) and in November announced a similar 5-6% reduction for 2024. These savings decisions, while never easy, are made to support the future of our business.

A guiding principle behind these changes was the need to more firmly orientate our newsrooms and wider organisation towards our digital audience. This meant considering online behaviour in all of our decisions – topics, timing, format – and rethinking how we tell every story in today's digital landscape.

Initiatives include the automation of our content management system (CMS) so journalists can save time uploading stories, sharing more content across brands, and organising teams for maximum impact. For example we have brought together our video and audio talent into one Studio team, to produce content for both our editorial brands and commercial partners and to better support the branded content revenue opportunity.

Responsible cost management

We have a proven track record in meeting challenges and managing costs responsibly, as evidenced over the past few years.

In 2020 we undertook a transformation programme to reshape the Group into a more efficient organisation, and as part of this closed two of our print plants. These decisions are always carefully weighed, but when well executed allow us to mitigate the structural decline in print and ensure we have a sustainable unit cost of production.

In 2021, we adopted a hybrid working model, following employee feedback largely in favour of retaining more remote working options post-Covid. This allowed us to streamline our property portfolio and reduce those costs, while also providing many of our teams with greater flexibility.

During 2022, high levels of inflation drove an unprecedented increase in like-for-like newsprint costs (+£40m). In response, we

identified numerous ways to optimise costs, for example by changing print pagination and supply as well as managing availability to reduce the volume of unsold copies.

In 2023, we took a number of actions to support our 5.7% (like-for-like) operating cost reduction, across several areas. As a content business that deals in ideas and creativity, it is unsurprising but no less challenging that our workforce represents around half of our operating cost base. Therefore reducing the headcount, as we have done across all areas of the business, has been a necessary step in our cost management. However we also carefully reviewed our costs in several other key areas in 2023, from property to energy to distribution.

For example we undertook a review of our primary and secondary distribution plans, reducing costs by consolidating routes and sharing vans across both our own and third-party publications. Print production accounts for 13% of our costs so we

continuously review our supply chain, from raw materials through to production planning, to drive incremental savings.

We also reassessed our real estate portfolio in 2023, analysing how our spaces have been used since we introduced hybrid working, and decided to replace two larger and underused spaces with smaller offices. This has enabled us to manage our costs while still providing teams with flexibility and a place to work or collaborate when needed.

In addition we installed solar panels at all three of our print sites in 2023, which will mitigate some of the increases we had in energy costs – more on these on page 10. Through these changes and alongside steady Customer Value Strategy progress, we are able to meet our obligations as well as position the business for the future.

FOCUSING ON EFFICIENCY

**Total adjusted operating costs
2022-23**

£498m

The secret animal #5 is a "squirrel".

5.7%

Like-for-like cost savings 2022-23

17%

Adjusted operating margin

£91.9m

Adjusted operating cash flow

£475m

2022

2023

Chief Executive's review

A PATH TO PROGRESS



Jim Mullen
Chief
Executive
Officer

2023 was far from a straightforward year, but it was an important and necessary one for the business. We can now look to the future having removed several long-term uncertainties and delivered market expectations, while also having progressed our Customer Value Strategy (CVS) and more firmly pointed the business towards our digital audiences.

Much of this progress was several years in the making, for example the preparation that supported us in 2023's trial around several long-standing historical legal issues. While confronting the past in this way is not easy, the resulting judgment on time limitation for future claims around historical legal issues means that a significant number of outstanding claims can be resolved, and this should largely bring an end to future claims.

We also took decisive action to resolve the outstanding pension funding valuations, which has similarly given us a firm end in sight for an obligation that has hindered this organisation for several decades. Together these two achievements give the business much-needed financial clarity and allow us to plan for the future with far greater certainty.

Throughout the year, we made significant progress in becoming a data-driven, digitally-focused business, supported by a predictable and reliable print business.

The average revenue (RPM) we generate from our digital page views is now up over 10% from last year, not something I take for granted against a challenging backdrop. While we have seen yields decline in our open market

programmatic advertising, we have been able to add increased value by growing non-advertising revenue streams like ecommerce, affiliates and partnerships, reinforcing the benefit of our Customer Value Strategy (CVS). Crucially this has reduced the impact from the industry-wide decline in referral traffic, a trend that we have long expected – albeit not as quickly and severely as it came – and which CVS was always intended to mitigate.

We continued our transformation in the year, taking action to ensure that our cost base reflects the economic environment in which we operate, and to enable us to become a digital-first organisation. To achieve this, we needed to reduce the size of some of our teams. This is not a decision I or my management team take lightly. However, recent trends have only reinforced our belief that we must be willing to make big changes to exert more control over our own destiny and protect our brands in the long term.

The strong yield performance and efficient management of our cost base meant we delivered a sustainable operating margin of 17%, broadly in line with last year and giving us a strong foundation for 2024.

A fast-changing environment

We operate in a dynamic, competitive and constantly evolving market and 2023 was no exception. The period of economic volatility that began in 2020 has continued to impact the market, placing pressure on advertising spend and inflating costs for both businesses

"We can now look to the future having removed several long-term uncertainties and delivered market expectations."

and consumers. Throughout the year, our entire industry saw a fall in referral traffic from tech platforms and we were not immune from that. Facebook, one of our largest traffic referrers, has shifted away from news content and we have contended with numerous Google core algorithm updates, each one requiring us to pivot on how we deliver content to our audiences.

These changes have impacted our organic search traffic and therefore our growth in the near term, with page views down 24% versus last year, in line with the wider news publishing market. Despite the decline in volume, our commercial teams have expertly traded the value of our content and ad space, capitalising on our Customer Value Strategy progress to drive our revenue.

Telling the stories that matter

It's clear that audience behaviour and digital trends can shift rapidly, but what remains constant is our core purpose to enlighten, empower and entertain our mainstream audiences, wherever they might find us.

Chief Executive's review continued



Great content will always be at the heart of our business and this year our teams produced an abundance of it. The editorial highlights that come to mind for me personally include the Sunday Mail's exclusive scoop on the SNP scandal, the Mirror's campaign for free school meals which so far has seen Sadiq Khan announce free hot meals for all primary pupils, and the Express's campaign calling for the Government to invest more in radiotherapy and increase services for cancer patients.

Meanwhile, the Manchester Evening News' award-winning Awaab's Law campaign has made its way through Parliament and will change many people's lives for the better.

And while it's always an honour to watch everyday heroes at the Mirror's Pride of Britain Awards, in 2023 it was particularly inspiring to see members of the Windrush generation be recognised for their outstanding contribution to British life since the first passengers on that vessel arrived 75 years ago.

These highlights all wield the power and impact they do precisely because of our wide reach, with our scale and editorial purpose working hand in hand. Despite the challenges of the business environment, Reach remains the largest publisher in the UK and Ireland, and continues to command the sixth largest digital audience of any UK business, reaching 36m adults digitally every month which is 72% of the online population. Our transformation actions in 2023 will ensure the continuation of our core purpose into 2024 and beyond.

The secret clothing is a "sock".

Enhancing resilience and efficiency

Our print business continues to generate strong returns, despite the falling demand across the sector. Our experienced circulation teams use decades of data to expertly inform our approach to price increases and availability, both of which are critical to underpinning sales volumes. We maintain a track record of effective cost management and are constantly reviewing and making changes to our supply chain, optimising distribution and right-sizing our property footprint.

Across the business, we successfully delivered a 5.7% reduction in operating costs (on a like-for-like basis), against the 5-6% reduction we targeted at the start of the year. As announced in November 2023, to set ourselves up for success in 2024 we have committed to and already started to deliver a further 5-6% reduction in our operating cost base. In the wider industry context, with many organisations now making similar decisions to those we took in late 2023, we believe our early action demonstrates responsible foresight and planning.

As labour represents our single largest cost, there is no getting away from the fact that we have had to reduce the size of our teams to save cost and re-shape for the future. I do not underestimate the impact of these decisions on all of our people. With that in mind I committed to working through them with fairness and integrity, and to communicating openly throughout. During this period, I led a programme of small group discussions and town hall meetings with

Chief Executive's review continued

"As a result of our Customer Value Strategy progress, the return on data-driven advertising is currently over 10 times more valuable than volume-related programmatic advertising returns."

leaders and colleagues, to share updates, provide important context about the need for change, and facilitate open dialogue. Honest colleague communication remains something that I'm passionate about and committed to investing time into, all year round.

Our emphasis on efficiency goes beyond traditional cost-cutting measures as we must also organise our ways of working to put ourselves in the best position to achieve our strategic aims and accelerate our journey to being a digital-first content organisation. As part of this work we created the Reach Studio team, which pools all of our video and audio talent in one super team that will provide multimedia content for both editorial audiences and commercial partners, maximising the value for both.

Progressing our strategic priorities

During volatile times it is all the more important to pursue a strategy that gives us greater long-term stability and control over our business.

Over the year, our Customer Value Strategy (CVS) continued to progress on key metrics. Against falling referral traffic, we continued to grow our yield or RPM (+11% from 2022), an increasingly important metric as we focus on controlling digital revenue.

We also see that as a result of our CVS progress, the return on data-driven advertising is currently 10 times more valuable than volume-related programmatic advertising returns. These figures demonstrate that whatever market trends may come, we are able to consistently adapt to optimise the value of our content, data and audience.

Our commercial activity continues to be led by data, while focusing on direct customer relationships and more diversified revenues that support higher-quality digital earnings. These efforts are reflected in our mix, which is now made up of 43% of digital revenues generated by data-driven, higher value and better performing advertising, a trend which will continue.

Part of the strategy has been to strengthen and expand our audience base with key demographics and into valuable regions. In 2023 we successfully launched three '.com' websites from a new US operation, which by the end of the year were regularly attracting an audience of a million a day.

Additionally, we have worked to secure our audience, which will make us less vulnerable to changing tech platform algorithms and better able to directly engage with our millions of customers and drive them to our content. There have been several initiatives on this front, including an award-winning project to reach people via WhatsApp Communities and Channels, through which we reach more than 1.65m people directly as of February 2024.

One early standout in this area is our Arsenal channel which sends multiple stories a day directly to over 600k people, making it the biggest Arsenal channel in the world. Through work like this we are able to speak to our audiences on our own terms and ensure that our great content reaches them.

Our tech and commercial teams have played a key role in supporting our discoverability challenge, further developing in-house recommender tools powered by AI that point readers to content we know they'll be interested in. One of these tools alone has reduced customer bounce rate by over 10% and generated 2bn page views through the year. Our in-house first-party data capabilities, in particular our proprietary Mantis tool, will stand us in good stead as Google continues

to phase out third-party cookies, a process we have now seen beginning in 2024. This will be a major shift in the landscape for publishers and advertisers, who for years have depended on third-party data to target their advertising.

We will be significantly ahead of the curve on this front, with 12.3m registered customers, of which approximately 4m are active over each four-week period, and advanced capability to effectively place advertising using contextual targeting.

43%

of digital revenues now data-driven

We have further strengthened our position by growing our revenue streams outside traditional advertising revenue, with important work being done with affiliates and ecommerce. It's great to see the continued success of the OK! Beauty Box, which we launched in late 2020 as one of our first Customer Value Strategy initiatives, and now has c.12k paying subscribers.

Our goal with this work is not to replace our business model but to continuously evolve, strengthen and broaden it, and to give our audiences more choice about how they engage with our content.

Chief Executive's review continued

"We now have a much clearer view on the estimated cost of resolving these long-standing issues and, crucially, these costs are expected to be materially lower than our previous estimates."

Resolving long-term uncertainties

For several years now, the leadership team and I have been working to resolve a number of long-standing hurdles facing this business. Over the past months I am proud to say we have made real headway in clearing these.

Ahead of 2023 we took the decision to go to trial to achieve greater certainty around the future impact of long-standing historical legal issues. The judgment we received in December set out very clear parameters on time limitation which enables us to draw a line under these issues. Simply, this means we now have a much clearer view on the estimated cost of resolving these long-standing issues and, crucially, these costs are expected to be materially lower than our previous estimates.

Over the last four years we had not been able to come to an agreement with the MGN Pension Trustees on the 2019 triennial valuation. I cannot overstate the importance of having successfully concluded both the 2019 and 2022 triennial pension reviews for the MGN pension scheme. Agreement with our other schemes is also expected to be completed by the 31 March 2024 due date. This provides much needed clarity on the scale of our funding obligations, which are scheduled to materially step down in early 2028.

These developments will both benefit the wider business and enable better planning for our future. Thank you to all the teams who have been involved in bringing these matters to a close.

Exploring AI as a tool

At the start of 2023 the conversation around how businesses and media organisations use AI was only beginning to take shape. Our editorial leaders created a cross-functional workstream to manage this complex issue, exploring the many opportunities while also gaining a firmer understanding of the risks. Their primary focus has been to test tools that help journalists to tell their stories more quickly and effectively. As a result of this work, the team has identified several areas with strong potential, such as spotting trends and analysing large volumes of data.

We have steadily increased our use of AI through the year, while carefully controlling its roll-out, and by the end of 2023 over a dozen newsrooms were set up to use an AI tool to support their work. As we continue to test AI's potential, we ensure that every story is edited and approved by a journalist, maintaining our commitment to responsible journalism.

Fighting our case

I have also been putting our case to political decision-makers, ensuring that those in power and in opposition understand the issues facing Reach and the entire media industry. The stakes are high and I have had many encouraging discussions this year on the crucial questions that will decide the future of journalism in this country, such as: how can tech platforms work fairly with the media to support a free press and functioning democracy?

2023 marked my last year as chair of the NMA (News Media Association), but I will continue to discuss these vital issues in 2024 with our legislators, particularly as we watch the Digital Markets Bill progress through Parliament.

Looking after our people and our future

All of this progress is made possible by our talented and passionate colleagues in all departments. We have made many necessary changes to our teams this year but I remain committed to retaining and developing the great people who are shaping the future of this business.

Developing our teams is just one pillar of our formalised responsible business framework, now one year in (read more on this on page 40). We continue to prioritise becoming a more inclusive organisation, and in 2023 were once again recognised by Inclusive Companies with our highest ranking yet and testament to the dedication of many people

here. We're also working to protect all our futures through our environmental efforts, which continued to progress this year as we implemented the systems and gathered the data that will inform our path to net zero.

Looking ahead

2023 was a critical moment for this business, allowing us to put several significant issues in the past and to focus instead on looking forward, and I am confident that we are now well positioned to take on the future.

As always, there are challenges ahead. The macro environment is unlikely to provide much relief over the near term and we are working to secure our audience and build our data-driven digital business. This will be achieved through small incremental gains and by continuing to build direct relationships with our audiences.

Our industry has a history of change and the future will undoubtedly see yet more. That's why it's essential we set ourselves up to win by making our operations suited to an increasingly fast-paced, competitive and digital world.

Jim Mullen
Chief Executive Officer

5 March 2024

Our business model

DELIVERING VALUE

Driven by
our purpose

TO
ENLIGHTEN
EMPOWER &
ENTERTAIN

through brilliant
journalism.

The secret instrument is a "violin". To our transformation is investment in data and technology, which helps us better understand our customers and drive digital revenue. Our in-house adtech tool Mantis enables us to capture consented customer data to improve our content and provide targeted advertising for the brands we work with.

Read more about our purpose
on page 2.

Enabled by our assets

Our people

The talent and commitment of our employees are central to our success as we transform and become more digitally-oriented. We're building a workplace where our people are empowered to deliver excellence and facilitate change, while enjoying balance in their lives.

Our audience

We have the largest audience of any commercial news publisher in the UK and Ireland. Every month, 47m people come to us, in print and online, across our national and local titles, for news, entertainment and sport they can trust. We are a proudly mainstream publisher, reaching 72% of the UK's online population, and now bring that approach to our US-based sites.

Our technology

Our transformation is investment in data and technology, which helps us better understand our customers and drive digital revenue. Our in-house adtech tool Mantis enables us to capture consented customer data to improve our content and provide targeted advertising for the brands we work with.

We are transforming how we deliver value to our stakeholders, evolving and growing a digitally-focused business while maintaining our strong foundations in print. This transition is underpinned by the strength of our talented people and our iconic brands, united and guided by our purpose and focused on providing the content that attracts the largest audience of any commercial news publisher in the UK and Ireland.

Focused on content



Our news coverage is award-winning, with our titles reflecting the diverse interests and political leanings of our audiences. We aim to inform and explain, as well as lending a voice to the causes that matter to the communities we represent. While our news coverage is often serious, some of our titles excel in finding the funny side of the day's biggest stories.



We cover a range of sport, from English Premier League to Scottish football, to Welsh Rugby, Formula 1 and our industry-leading coverage of the Cheltenham Festival. Meanwhile our local titles remain the 'go to' sources of information for local sports fans supporting a range of levels, whether the Liverpool Echo for LFC or Hull Live for Hull City FC.



We are proudly mainstream, which is key to our broad appeal and widespread audience. From celebrities to science, TV to travel and beauty to bingo, our brands cover a huge number of topics. Providing content for a wide range of interests has helped us become part of our customers' daily lives.

Our business model continued

Our transformational operating model

Print
Market dynamic
 We sell hundreds of thousands of copies daily. While volumes are in decline, cover price rises alongside loyal demand support significant print cash flows.

Demographics
 The average age of a print customer is 52 and this older demographic have a high degree of loyalty and are of high value to advertisers.

How we generate revenue
 Newspaper sales account for approximately 71% of our print revenue. We also generate revenue from advertising and printing for third parties.

Our brands and products
National
 Our portfolio has a strong heritage. The Mirror and Express have been a key part of British culture and society for over 120 years.

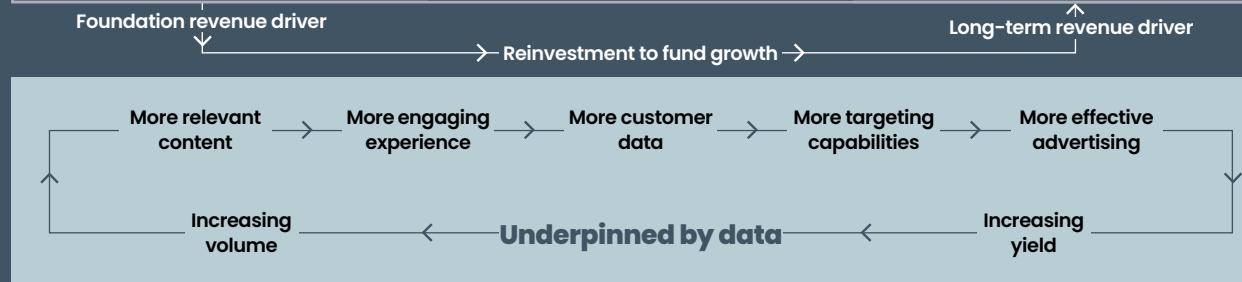
Local
 What makes us different is our unique combination of national and local titles, such as the Manchester Evening News and Newcastle Chronicle, which lie at the heart of their communities.

Magazines
 OK! and New focus on celebrity news, pop culture, fashion and real-life reader stories. We also produce the Sunday supplement magazines Notebook and S Magazine.

Digital
Market dynamic
 Large tech platforms continue to shape the market – a key driver of our data-led approach.

Demographics
 We develop our evolving audience base by evolving our formats and building niche 'fan' communities across sport and entertainment content.

How we generate revenue
 Advertising-led, sold directly by our sales teams or programmatically via auction platforms. Increasingly our advertising is supported by data, resulting in higher yields, and we have also increased our non-advertising mix with affiliates and ecommerce.



Delivering stakeholder value

- Our people**
 By setting the business up for a sustainable future we're able to invest in the teams we need for long-term growth, and in fostering an inclusive culture.
- Customers**
 Delivering our digital strategy enables us to provide increasingly engaging and relevant content that maintains and builds audiences.
- Communities**
 We're committed to contributing positively to the diverse communities we serve, discussing issues and supporting causes that matter to them.
- Advertisers**
 Building a deeper understanding of our customers enables us to help advertisers deliver more targeted campaigns that reach the right audiences.
- Suppliers and partners**
 Our supply chain includes distributors, retailers and newsprint suppliers. We work closely with all to ensure fair economics.
- Shareholders**
 Working in the interest of our shareholders and other stakeholders by removing long-term uncertainties and providing balanced and clear communications for investors that set out our prospects for growth.
- Pension funds**
 Delivering our strategy and maximising business performance demonstrate that Reach is being managed responsibly and sustainably.
- Government and regulators**
 A vibrant news sector is key to a functioning democracy. Our transition to digital is a key part of the sector's future, as is the right regulation.

Our strategy

A STRATEGY FIT FOR THE FUTURE

Our strategy is to get to know our customers better, drawing on behavioural insights to create a virtuous circle of value that delivers more relevant content, a more engaging experience and greater loyalty. This all drives sustainable, data-led revenue for our business as we continue to strengthen our digital position.

In summary

We're constantly working towards making Reach a more data-led, digitally-focused business. The enduring appeal of our print titles supports the investment we need to make in our digital infrastructure and platforms, and in ensuring we have a diverse range of talent in our teams. These investments enable us to deliver a strategy focused on our customers – a Customer Value Strategy, or 'CVS' – which enables our brands to continue pursuing our purpose in an increasingly online world.

Why data matters

The success of our CVS relies on us forming a new kind of relationship with the people who come to us for news, entertainment and sport – our 'customers'.

As a largely ad-funded model, page views are our digital currency. And while customers do not pay directly for their content, they give us their time and attention which we measure most simply via these page views. With the CVS, a further exchange occurs – in return for more relevant content, our customers share data about themselves. This could be declared or personal data such as their email address or postcode, or it could be behavioural or contextual data based on the type of content they consume.

The more our customers engage, the more we learn about their preferences, enabling us to further enhance and personalise their experience. The more we understand the behaviour of our customers, the more valuable their profiles become, which enables advertisers to more accurately target their own customers through us.

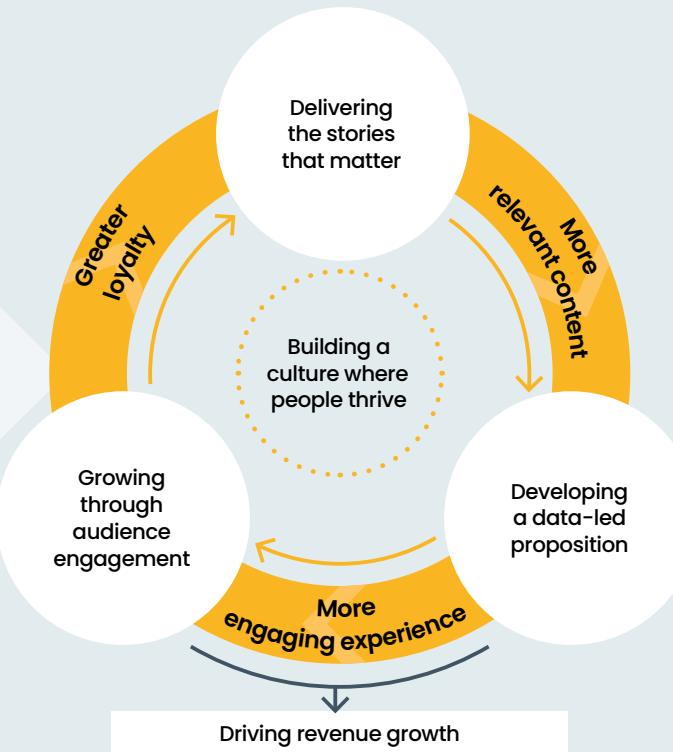
A critical mass

With data the key to unlocking customer value, an initial objective of our strategy was to encourage more customers to register with us. We achieved our original 2022 target of 10m registered customers that same year, and now have over 12m, or about a third of our UK digital audience.

We're now focused on forging deeper engagement, understanding each customer better, and delivering content that encourages them to visit us more frequently and for longer, making us part of their daily lives.

For more on how we're measuring strategic progress, see our KPIs on page 20.

STRATEGIC OBJECTIVES



Our strategy continued**STRATEGY IN ACTION IN 2023**

Delivering
the stories
that matter

- Continued to deliver stories that embody our purpose such as M.E.N.'s award-winning campaigning for Awaab's Law and the Sunday Mail's exclusive reporting on the SNP scandal
- Created a new, centralised Studio team which brings together all of our video and audio talent to produce content for our editorial brands and commercial partners
- Developed the Belonging Project which ensures the Mirror and regional newsrooms are producing more inclusive content for the communities they serve

Developing
a data-led
proposition

- Strengthened our AI-powered contextual targeting capabilities with our in-house ad tech Mantis. Now set up to license to other publishers in 2024 as a B2B revenue stream – particularly relevant against backdrop of ongoing third-party cookies depreciation
- Generated 10 times more value from our data-driven advertising versus volume-related programmatic advertising
- Further developed our in-house recommender tools, powered by AI, that point readers to content we know they'll be interested in

The secret object #1 is a "clock".

Growing
through
audience
engagement

- Successfully launched three new '.com' websites from a new US operation
- Establishing and growing secure audience channels – for example via our award-winning WhatsApp Communities and Channels work which now allows us to contact over 1m subscribers direct to their phones
- Continued progress reaching the youth audience, with rapidly growing TikTok follower numbers across key brands

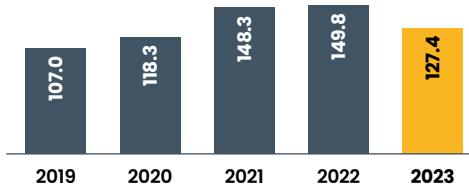


Key performance indicators

HOW WE PERFORMED

Digital revenue growth (£m)

(15.0)%
(2022: +1.0%)

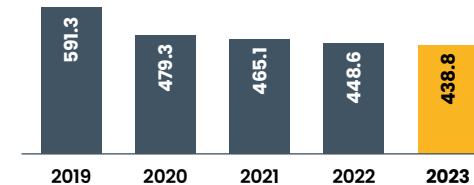


Target: Year-on-year growth in digital revenue.

Why it matters to us: Growth in digital revenue is key to demonstrating progress against our strategy, as we become a more data-led, digital business. Our digital revenue is predominantly driven by advertising. The advertising revenues have been depressed from the macroeconomic environment and the reduction in referral traffic from the major platforms. We are making the business more resilient by diversifying our mix of digital revenue and securing our digital audience, so that the performance is more sustainable over the long term.

Print revenue decline (£m)

(2.2)%
(2022: (3.5)%)



Target: Improving year-on-year percentage decline rate.

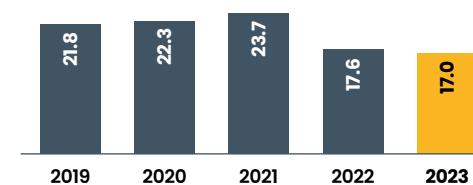
Why it matters to us: Although sales of physical news publications are in structural decline, print still generates over three-quarters of our total revenue. With over 250m copies sold a year, sales from circulation remain a resilient source of revenue, with cover price increases helping to offset the impact of people buying printed titles less often. Print revenue continues to drive the strong cash flows which supports our digital transformation.

Financial KPIs

For our strategy and our business to succeed, we need to maximise growth in digital revenue and optimise our print revenue despite the structural decline in print. The combination of declining open market yields alongside the industry-wide decline in referral traffic meant that digital revenue declined 15%. Print has continued to be resilient, declining 2% and driven by a strong performance in circulation revenue. In aggregate, revenue declined 5% and operating costs declined by a similar amount, driven by our efficiency programme and some unwinding of print inflation. This meant we delivered a stable operating margin of 17%. Operating cash flow is broadly the same as last year, reflecting the similar levels of profitability and more efficient working capital management.

Adjusted operating margin (%)

(0.6)PP
(2022: (6.1)PP)

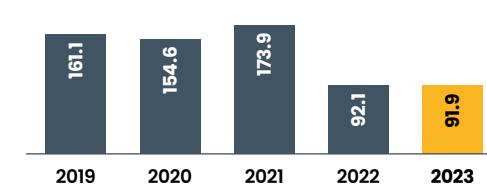


Target: Continue to grow operating margin.

Why it matters to us: Operating margin is a measure of our profitability, as we aim to grow digital revenue and carefully manage print decline. While the effects of the loss of referral traffic have impacted revenue and profitability over the near term, over the longer term we expect increasing digital revenues and lower levels of required investment in our strategy, relative to its earlier years, to support a structurally higher operating margin.

Adjusted operating cash flow (£m)

£91.9M
(2022: £92.1M)



Target: Maintain operating cash flow to meet our financial obligations including the pension funding, historical legal issues, returns to investors and reinvestment into the business.

Why it matters to us: Operating cash flow supports our commitments to ongoing pension funding and payments on historical legal issues, as well as investment in our strategy and returns to shareholders. The business is strongly cash generative – due to the resilience of our print business and efficient operating model, which has cost management at its core. Adjusted operating cash flow reported above has been aligned with the definition of adjusted operating profit to exclude the cash flow impact of restructuring payments and other items classified as adjusted items in the income statement. This has resulted in an increase in adjusted operating cash flow. Previously reported numbers include 2019 £133.1m, 2020 £121.8m, 2021 £141.3m and 2022 £64.8m.

Key performance indicators continued

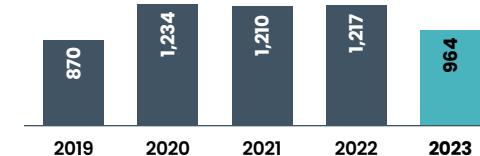
Non-financial KPIs

As our strategy progresses, we are considering evolving our KPIs. One of the key KPIs we are tracking and considering regularly is RPM – revenue per thousand pages. RPM is a yield measure and gives the financial return from digital pages traded. This has now been included as a strategic KPI and is described below. Customer registrations were critical to the Group's success when the Customer Value Strategy was relatively nascent. We have now achieved a critical mass of registrations and therefore this will be the last year we report on it within the Annual Report.

Total average UK page views per month (m)¹

(21)%

(2022: 0%)



Target: Year-on-year growth in total UK page views.

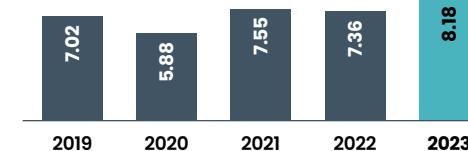
Why it matters to us: Page views are a strong measure of whether customers like our content online. As a customer views more pages, we get to know more about them – and can collect more valuable data. However, in 2023 we have seen some major online platforms, most notably Facebook, deprioritise news. This has massively reduced the referral traffic to our site and impacted page views by 24% globally. We are now focused on securing our audiences to ensure a more direct relationship, while also increasing the amount of content our audience consumes. We're doing this by using data to give customers more of the content they like to read, driving more interactions and engagement.

1. The non-financial target relates to UK page views which are more significant to revenue, whereas worldwide page views are disclosed throughout the Annual Report as an indicator of the total reach of our content.

Revenue per 1,000 pages (£)

£8.18

(2022: £7.36)



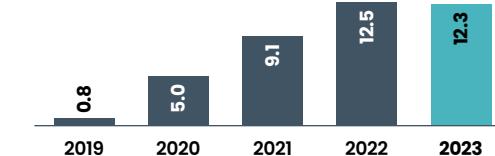
Target: Year-on-year growth.

Why it matters to us: Digital growth can come from increased supply of advertising and/or an increased traded price. Increasing supply for example by increasing the number of ad units is becoming more challenging due to the direct impact and trade off with audience experience. It's important to examine and understand traded price which is a key driver of our digital performance. There are a few factors which drive more revenue per thousand pages. Firstly we either have insights into customer and customer behaviour, which can then be used to offer opportunities to brands to adopt better-targeted campaigns and customer offers. Or we drive non-advertising revenues which are not directly related to volume such as partnerships, affiliates and ecommerce. Both of these factors link directly to our Customer Value Strategy and therefore we are focused on understanding how RPM trends over time. The final reason that this metric could move is changes in page views, and therefore it is important that RPM performance is considered alongside page views. Ideally both of these KPIs would trend upwards over time.

Customer registrations (m)

12.3

(2022: 12.5)



Target: 10.0m end of 2022.

Why it matters to us: A registered customer is a customer who has provided their information in order to receive a service. This includes email addresses and phone numbers, which enable us to build a relationship with more of our audience, and help advertisers share more geographically relevant ads. Knowing our customers is an important part of the Customer Value Strategy and therefore, it felt appropriate to have a non-financial measure for customer registrations when we first defined our strategy in 2020. During the course of 2023 the referrals from major platforms adversely impacted our page views and so we took the decision to turn off the customer login which has reduced customer registrations from the peak of 13.5m in August to 12.3m in December. We have surpassed our original target which was set at 10m for the end of 2022 and given the current level of registrations is now at critical mass, we will no longer be reporting this as a key KPI within this report.

Financial review

BUILDING LONG-TERM RESILIENCE

Darren Fisher
Chief Financial Officer



Looking back over the year, we have made demonstrable progress to ensure the business is more resilient and able to continue its digital transformation. During a year of macroeconomic uncertainty and some significant shifts across the media sector, we delivered a resilient financial performance and made significant progress in resolving the long-standing uncertainties.

We concluded the 2019 triennial valuation, along with the 2022 valuation, for the MGN pension scheme, and have subsequently reached agreement in principle with our other schemes and are expected to be concluded satisfactorily by the 31 March 2024 due date. This provides a clear view of our future pension commitments which will materially step down from the current rate of £60.0m in 2028.

In December, the High Court's judgment on the Group's historical legal issues (HII) provided clarity around time limitation. This has resulted in a material reduction in the cost of settling outstanding claims and should largely bring an end to future claims. This has led to a £20.2m year-on-year release in the HII provision. We expect the majority, if not all, of the issued claims to be resolved during 2024 and 2025 which is a much shorter time frame than previously anticipated. Resolving these two matters has reduced uncertainty and allows us to plan more effectively for the long term.

The macroeconomic environment in 2023 impacted advertising spend, and there was a material step down in digital referral traffic from major platforms such as Facebook, which has deprioritised news content. This has driven a 24% year-on-year decline in digital page views, which alongside depressed open market yields (year on year decline 25%), adversely impacted digital revenue, which declined by £22.4m or 15% to £127.4m in 2023.

Conversely, our data-driven revenues performed robustly, only declining 4% year-on-year, to now represent 43% of digital revenues (2022: 38%). To compensate for the industry headwinds we took clear actions to continue to diversify our digital revenues and trade our digital assets harder. We prioritised areas within our Customer Value Strategy which are higher yielding and within our control. As a result revenue per thousand pages (RPM) across our digital estate increased by 11%. These actions have resulted in improved resilience, with areas of strong growth including curated marketplaces, ecommerce and affiliates.

The secret fruit is a "lemon".



Financial review continued

We continued to invest in our digital expansion. We launched our three US-based sites, invested in Curiously, our social-first, video-focused brand, and invested in new products to develop our curated marketplace capability.

The print business remained robust and delivered £438.8m (2022: £448.6m) of revenue, representing just over 75% of the Group's revenue with a strong performance in circulation and print advertising. The teams have access to a significant amount of data which has built up over many years and this is used to determine optimal levels of availability and cover price increases. These dynamics have offset the volume decline with circulation revenue growing 1.6%. Print advertising declined by £10.3m, or 11.9% year-on-year; this was a solid performance, outperforming volume trends which were down 17% year-on-year.

Focus on efficiency

Through our cost action plan we continue to focus on efficiency, setting up our operations to adapt and thrive in a fast-paced and competitive digital landscape. At the start of the year we committed to reducing total operating costs by 5-6%, and on a 52 week like-for-like basis we achieved a 5.7% reduction. Inflation moderated through the year following the material increase in the cost of newsprint in 2022, some of which unwound in 2023. Overall newsprint costs reduced by 21%, mainly driven by the decline in production volumes. We have implemented restructuring and efficiency programmes and as part of these, headcount has reduced by 14% over the year. Our largest operating cost, labour, reduced by 5% year-on-year. Together these actions have driven higher levels of efficiency, protecting the strong operating margin of 17% and mean we are better positioned for the long term.

Strong balance sheet

The Group has a robust balance sheet with a closing cash balance of £19.9m, and net debt of £10.1m (inclusive of £0.9m restricted cash). The Group has £30.0m drawn down on its revolving credit facility. The Group's revolving credit facility of £120.0m is in place *The secret animal #3 is a "spider".*

Cash management remains a priority. Group cash conversion was strong at 95% supported by efficient working capital management. Pension scheme contributions during the year were £60.0m, HLI claim settlements totalled £4.6m and we incurred £18.8m of restructuring payments. Together these non-operating cash outflows amount to £83.4m.

In December 2023 the Group completed a £605.4m capital reduction, converting the entirety of the share premium account into distributable reserves, which will support the payment of dividends into the future. This did not involve any return of capital or payment to shareholders.

Looking ahead

The strength of our print business underpins the cash generation and profitability of the Group. We will continue to carefully balance cover price increases and availability to deliver a robust circulation performance despite the falling demand for print. Print revenue funds the Group's financial commitments and enables investment as we continue to build our digital business.

This year we will continue to invest in product and new markets including the US and developing the AI-powered Mantis ad tech. We will also increase our use of AI tools to support increased productivity in the newsrooms, under the continued guidance of our journalists.

Across our digital business we continue to build a more sustainable higher-quality digital mix, with 43% of digital revenue now data-driven. The depressed open market yields, compounded by the decline in page views, have reinforced the benefits of our data-driven Customer Value Strategy. This strategy will continue to increase yields and grow data-driven revenues.

As communicated in 2023, we have already actioned a further programme of cost reduction for 2024, which we are confident will support a 5-6% in-year reduction in our operating costs and protect our operating margin. Savings have been generated throughout the business and include further steps in creating a digitally-led editorial business, for example the creation of a single video studio.

Summary income statement

	Adjusted 2023 £m	Adjusted 2022 £m	YOY change %	Statutory 2023 £m	Statutory 2022 £m	YOY change %
Revenue	568.6	601.4	(5.4)	568.6	601.4	(5.4)
Costs	(475.0)	(498.1)	4.6	(523.9)	(531.5)	1.4
- - -	2.9	2.8	3.6	1.4	1.4	0.0
. . .	3.5	106.1	(9.0)	46.1	71.3	(35.3)
Finance costs	(3.5)	(2.8)	(25.0)	(9.4)	(5.1)	(84.3)
Profit before tax	93.0	103.3	(10.0)	36.7	66.2	(44.6)
Tax charge	(24.6)	(18.8)	(30.9)	(15.2)	(13.9)	(9.4)
Profit after tax	68.4	84.5	(19.1)	21.5	52.3	(58.9)
Earnings per share - basic (p)	21.8	27.1	(19.6)	6.8	16.8	(59.5)

Financial review continued

The results have been prepared for the 53 weeks ending 31 December 2023. The comparative period has been prepared for the 52 week period ending 25 December 2022. The additional week contributed £6.2m of revenue and £0.8m of operating profit. The impact of revenue and costs is shown on a like-for-like basis in the table on page 26.

Group revenue fell by £32.8m or 5.4% to £568.6m with print down 2.2% and digital down 15.0%.

Adjusted costs decreased by £23.1m or 4.6% to £475.0m, partially offsetting the decline in revenue. This was driven by the reduction in circulation volumes and a small unwinding of some of last year's newsprint cost inflation, alongside the ongoing cost reduction programme. Statutory costs were lower by £7.6m or 1.4%, with the increase in operating adjusted items of £15.5m (£48.9m in 2023 versus £33.4m in 2022) partially offsetting the reduction in operating costs.

Adjusted operating profit decreased by £9.6m or 9.0% to £96.5m, driven by the decline in revenue partially offset by the savings in costs. The adjusted operating margin of 17.0% in 2023 compares to 17.6% for 2022. Statutory operating profit decreased by £25.2m or 35.3% primarily due to the increase in operating adjusted items which include restructuring charges in respect of cost reduction measures and impairment of the finance lease receivable and recognition of onerous costs following the sub-lessee of a vacant print site entering administration, partially offset with the release of the provision for historical legal issues.

Adjusted earnings per share decreased by 5.3p or 19.6% to 21.8p. Statutory earnings per share decreased by 10.0p to 6.8p, principally due to the decrease in operating profit.

Revenue

	2023 £m	2022 £m	YOY change %
Print	438.8	448.6	(2.2)
Circulation	312.5	307.7	1.6
Advertising	76.6	86.9	(11.9)
Printing	20.2	23.1	(12.7)
Other	29.5	30.9	(4.5)
Digital	127.4	149.8	(15.0)
Other	2.4	3.0	(16.9)
Total revenue	568.6	601.4	(5.4)

Revenue declined overall by £32.8m or 5.4%.

Print revenue decreased by £9.8m or 2.2% (2022: down 3.5%). Circulation performance was strong with revenue up 1.6% (2022: down 1.7%) driven by carefully considered cover price increases, which were above recent historical levels, offsetting the ongoing decline in circulation volumes.

Print advertising revenue declined by £10.3m or 11.9% (2022: down 15.9%); but outperformed the print volume decline of 17%. During the year the strongest performing sectors for print advertising include food retail, travel, the government and entertainment and media, which is very similar to the prior year.

Print revenue also includes external or third-party printing revenues and other print-related revenues which decreased by £4.3m, or 8.0% (2022: increased 10.4%). These revenues are largely contracted on a cost-plus basis, and reflect the external market demand for print.

Digital revenue decreased by 15.0% to £127.4m (2022: 1.0% increase). Revenue has been impacted by lower advertising demand during a period of macroeconomic uncertainty alongside a material reduction in page views. Major platforms including Facebook have deprioritised news content over the year which in turn has driven a reduction in referral traffic for publishers across the sector. These changes have adversely impacted our revenues which were directly impacted by page view volume. Strategically driven or 'data-led revenues', which are more resilient and higher yielding, performed robustly. Data-driven revenues were £55.3m, down 4.0%, and now represent 43% of digital (2022: 38%).

Financial review continued

The secret food is "chocolate".

Costs

	2023 Adjusted £m	2022 Adjusted £m	YOY change %	2023 Statutory £m	2022 Statutory £m	YOY change %
Labour	(223.0)	(234.7)	5.0	(223.0)	(234.7)	5.0
Newsprint	(59.5)	(75.4)	21.1	(59.5)	(75.4)	21.1
Depreciation and amortisation	(21.6)	(20.2)	(7.0)	(21.6)	(20.2)	(7.0)
Other	(170.9)	(167.8)	(1.9)	(219.8)	(201.2)	(9.2)
Total costs	(475.0)	(498.1)	4.6	(523.9)	(531.5)	1.4

Adjusted costs of £475.0m (2022: £498.1m) decreased by £23.1m or 4.6%. On a 52 week like-for-like basis adjusted costs declined by 5.7%. Labour costs decreased 5% as we implemented our restructuring and efficiency programme with headcount falling by 14% over the year. Newsprint costs reduced from lower volumes, and an unwinding of some of last year's newsprint cost inflation.

Statutory costs were lower by £7.6m or 1.4%, a less significant reduction due to higher operating adjusted items which were £15.5m higher (£48.9m in 2023 compared to £33.4m in 2022).

Operating adjusted items included in statutory costs above related to the following:

	Statutory 2023 £m	Statutory 2022 £m
Provision for historical legal issues	20.2	(11.0)
Restructuring charges in respect of cost reduction measures	(26.9)	(15.5)
(Impairment of sublease)/sublet of closed print plant	(19.4)	16.6
Other property-related costs	(8.0)	(4.6)
Pension administrative expenses and past service costs	(5.5)	(14.8)
Other items	(9.3)	(4.1)
Operating adjusted items in statutory costs	(48.9)	(33.4)

The Group has recorded a £20.2m decrease (2022: £11.0m increase) in the provision for historical legal issues relating to the cost associated with dealing with and resolving civil claims in relation to historical phone hacking and unlawful information gathering. This material reduction is driven by the judgment handed down during December 2023 in respect of test claims. As a result of the ruling, all claims issued after 31 October 2020 are now likely to be dismissed other than where individuals can demonstrate specific exceptional circumstances, and therefore this has significantly reduced the amounts that are expected to be paid out.

Restructuring charges of £26.9m (2022: £15.5m) principally relate to cost management actions taken in the period.

Following the sublet of the vacant print site during 2022 which resulted in the reversal of an impairment in right-of-use assets of £11.0m and previously onerous costs of the vacant site of £5.6m, the sub-lessee entered into administration during 2023. As a result, the corresponding £10.8m finance lease receivable has been impaired along with the subsequent recognition of onerous costs of £8.6m of the vacant site during the period.

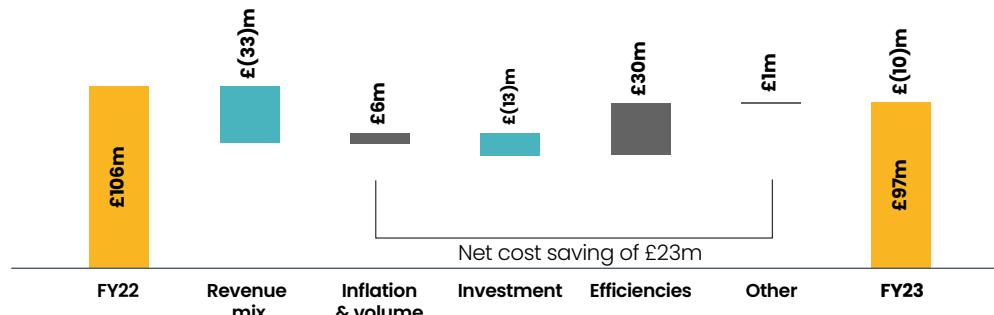
Other property-related costs comprise the impairment of vacant freehold property costs (£4.3m), vacant freehold property-related costs (£1.4m) and onerous lease and related costs (£2.6m) less the profit on sale of assets (£0.3m). In 2022, other property-related costs related to the impairment of vacant freehold property (£4.2m) and plant and equipment (£0.8m) less the profit on sale of impaired assets (£0.4m).

Pension costs of £5.5m (2022: £14.8m) comprise pension administrative expenses (2022: £4.2m). 2022 also included £10.6m of past service costs relating to a Barber Window equalisation adjustment.

Other adjusted items comprise the Group's legal fees in respect of historical legal issues (£5.3m), adviser costs in relation to the triennial funding valuations (£2.5m), internal pension administrative expenses (£0.6m), corporate simplification costs (£0.5m), and other restructuring-related project costs (£0.7m) less a reduction in National Insurance costs relating to share awards (£0.3m). In 2022, other adjusted items comprise the Group's legal fees in respect of historical legal issues (£5.2m), adviser costs in relation to the triennial funding valuations (£1.6m), less a reduction in National Insurance costs relating to share awards (£2.7m).

Financial review continued

Adjusted operating profit bridge



Adjusted operating profit of £96.5m was down £9.6m or 9.0% reflecting the decline in revenue of £32.8m or 5.4%, mitigated by a £23.1m or 4.6% decrease in operating costs. This meant that adjusted operating margin decreased by 0.6 percentage points from 17.6% in 2022 to 17.0% in 2023.

The net cost saving of £23m was driven mainly from efficiencies (£30m). Half of these efficiencies related to labour costs which were lower following the cost reduction programmes with the balance coming from the rationalisation of our property portfolio and other operational costs. Investments were made into our US operations and youth brand, Curiously, alongside some digital product development.

Reconciliation of statutory to adjusted results

	Statutory results £m	Operating adjusted items £m	Pension finance charge £m	Adjusted results £m
Revenue	568.6	–	–	568.6
Operating profit	46.1	50.4	–	96.5
Profit before tax	36.7	50.4	5.9	93.0
Profit after tax	21.5	42.4	4.5	68.4
Basic earnings per share (p)	6.8	13.6	1.4	21.8

The Group excludes adjusted operating items and the pension finance charge from the adjusted results. Adjusted items relate to costs or income that derive from events or transactions that fall within the normal activities of the Group, but are excluded from the Group's adjusted profit measures, individually or, if of a similar type in aggregate, due to their size and/or nature in order to better reflect management's view of the performance of the Group.

Items are adjusted on the basis that they distort the underlying performance of the business where they relate to material items that can recur (including impairment, restructuring and tax rate changes) or relate to historical liabilities (including historical legal and contractual issues, defined benefit pension schemes which are all closed to future accrual).

Other items may be included in adjusted items if they are not expected to recur in future years, such as property rationalisation and items such as transaction and restructuring costs incurred on acquisitions or the profit or loss on the sale of subsidiaries, associates or freehold buildings.

Management excludes these from the results that it uses to manage the business and on which bonuses are based to reflect the underlying performance of the business and believes that the adjusted results, presented alongside the statutory results, provide users with additional useful information. Further details on the items excluded from the adjusted results are set out in note 35.

Like-for-like comparison

	53 week FY 2023 YOY %	LFL 52 week FY 2023 YOY %
Digital	(15.0)	(15.2)
Print	(2.2)	(3.5)
Circulation	1.6	0.0
Advertising	(11.9)	(13.0)
Group revenue	(5.4)	(6.5)
Adjusted operating costs YoY decline %	(4.6)	(5.7)

Financial review continued

The results have been prepared for the 53 weeks ending 31 December 2023 and the comparative period has been prepared for the 52 week period ending 25 December 2022. The revenue and costs have been adjusted to show the numbers on a like-for-like basis. The additional week added £6.2m to revenue and £0.8m to operating profit.

Balance sheet and cash flows

Historical legal issues provision

The historical legal issues provision relates to the cost associated with dealing with and resolving civil claims in relation to historical phone hacking and unlawful information gathering. Payments of £4.6m have been made during the year and the provision has decreased by £20.2m, driven by the judgment handed down on the test claims during December 2023. At the year end a provision of £18.2m remains outstanding and this represents the current best estimate of the amount required to resolve this historical matter. Further details relating to the nature of the liability, the calculation basis and the expected timing of payments are set out in note 27.

Decrease in accounting pension deficit

The IAS 19 pension deficit (net of deferred tax) in respect of the Group's defined benefit pension schemes decreased by £36.8m from £113.9m to £77.1m at the year end. The decrease in the deficit is due to the net aggregate of many factors, mostly notable changes in market conditions leading to an increase in discount rate, returns on the schemes' assets, Group contributions and the easing of inflation. We concluded the 2019 triennial valuation, along with the 2022 valuation, for the MGN pension scheme, and have subsequently reached agreement with our other schemes which are expected to be completed by the 31 March 2024 due date. The Group now benefits from an agreed position on future pension funding commitments.

During 2022, similar to the West Ferry scheme, the Trustees of the Express Newspapers Senior Managers Pension Fund purchased a bulk annuity (at no cost to the Group) and the scheme now has all pension liabilities covered by annuity policies. Group contributions in respect of the remaining four defined benefit schemes in 2023 were £60.0m (2022: £55.1m). Contributions in 2024 are expected to be £60.9m under the current schedule of contributions for the four schemes.

Deferred consideration

Deferred consideration is attributable to the acquisition of Express & Star. The third and final payment of £7.0m was made on 28 February 2023. There is no remaining liability in relation to deferred consideration.

Profit to cash measure

This ratio is a measure of our effectiveness at working capital management. It is calculated as our adjusted operating cash flow as a proportion of adjusted operating profit.

In order to calculate this measure, adjusted operating cash flow has been aligned to the definition of adjusted operating profit. The change is largely driven by the exclusion of the cash flow impact of restructuring payments and other items classified as adjusted items in the income statement. This has resulted in an increase in adjusted operating cash flow in 2022 from £64.8m to £92.1m.

	2023 £m	2022 £m
Adjusted operating profit	96.5	106.1
Depreciation and amortisation	21.6	20.2
Adjusted EBITDA	118.1	126.3
Working capital movements	(3.9)	(12.3)
Lease payments	(5.3)	(6.7)
Capital expenditure	(15.4)	(13.3)
Other	1.3	0.9
Associates	(2.9)	(2.8)
Adjusted operating cash flow	91.9	92.1
Profit to cash ratio	95%	87%

During the year, adjusted operating profit was £96.5m (2022: £106.1m) and the adjusted operating cash inflow was £91.9m (2022: £92.1m) with a profit to cash ratio of 95% reflecting ongoing cash management. Working capital improved year-on-year, predominantly from excess newsprint inventories which built up during the escalation of the war in Ukraine in 2022 partially unwinding during 2023.

Financial review continued

Uses for cash

The table below shows how the Group is using the cash generated from operations to meet its financial obligations. Adjusted cash generated from operations is adjusted operating cash flow excluding the impact of net lease payments and capital expenditure.

	2023 £m	2022 £m
Adjusted cash generated from operations	112.6	112.1
Pension payments	(60.0)	(55.1)
Historical legal issues	(4.6)	(9.0)
Restructuring	(18.8)	(13.8)
Capital expenditure	(15.4)	(13.3)
Final payment on acquisition	(7.0)	(17.1)
Other	(19.2)	(21.2)
Cash flow before returns to shareholders	(12.4)	(17.4)
Dividends paid	(23.1)	(22.9)
Cash flow after returns to shareholders	(35.5)	(40.3)
Net (debt)/cash	(10.1)	25.4

Material uses for cash include pension contributions totalling £60.0m (2022: £55.1m) and restructuring payments of £18.8m (2022: £13.8m) which mainly relate to cost reduction programmes implemented at the start of the year. The final payment on acquisition of £7.0m (2022: £17.1m) relates to the Express & Star. Other comprises professional fees in respect of historical legal issues and triennial funding valuations of £7.8m (2022: £6.8m), net lease payments of £5.3m (2022: £6.7m), interest paid on borrowings of £3.1m (2022: £1.9m) and other movements which account for the balance of cash flows.

The Group paid a dividend in the period of £23.1m (2022: £22.9m).

Cash balances

Net debt at the year end is £10.1m (inclusive of £0.9m restricted cash), from a net cash position of £25.4m at the end of 2022. The Group has £30.0m drawn down on its revolving credit facility, with the overall total cash position of £19.9m at the year end. The Group has a revolving credit facility of £120.0m, which expires during November 2026.

Cash generated from operations on a statutory basis was £76.4m (2022: £80.1m). The Group presents an ~~adjusted operating profit to the net change in cash and cash equivalents~~ ^{adjusted operating cash flow} to the net change in cash and cash equivalents. A reconciliation between the statutory and the adjusted cash flow is set out in note 37. The adjusted operating cash flow was £91.9m (2022: £92.1m).

Dividends

The Board proposes a final dividend of 4.46 pence per share for 2023 (2022: 4.46 pence). The final dividend, which is subject to approval by shareholders at the Annual General Meeting on 2 May 2024, will be paid on 31 May 2024 to shareholders on the register at 10 May 2024.

An interim dividend for 2023 of 2.88 pence per share was paid on 22 September 2023 (2022: 2.88 pence per share).

In proposing a final dividend of 4.46 pence per share for 2023 (2022: 4.46 pence per share), the Board has considered all investment requirements and its funding commitments to the defined benefit pension schemes.

Financial review continued**Current trading and outlook**

We remain focused on delivering our Customer Value Strategy and the areas within our control, building a more resilient growing digital business and delivering efficiencies. The sector-wide decline in referral traffic will impact Q1 2024. We expect growing momentum across our digital business thereafter. As previously announced we have made our operations better suited for a digital world and are on track to deliver a 5-6% reduction in full-year operating costs in 2024.

Our financial priorities remain profitability and cash. Next year we expect working capital requirements excluding provisions to be broadly neutral, and a small step down in our capital expenditure. We have started the process to sell a number of our freehold properties which will support cash generation. Our financial commitments for the year ahead are similar to 2023, including the pensions contributions which will be broadly unchanged; we expect an acceleration in the resolution of existing HLI claims and a further £13m restructuring outflow relating to severance payments for the recent change programme.

Trading performance across the first two months of 2024 has been robust, with print advertising and digital performing well. We are on track with our full year outlook, but continue to operate in an uncertain macroeconomic environment.

Darren Fisher
Chief Financial Officer

5 March 2024

Responsible business overview

A RESPONSIBLE, SUSTAINABLE BUSINESS

The secret drink is a "smoothie".

We aim to act with integrity at all times – not just because we have a responsibility to stakeholders, whose lives we affect through our operations and journalism, but because it's simply the right thing to do.

In 2023, we built on the progress we made in 2022, when we introduced a new formal framework to guide our approach to responsibility and sustainability, by identifying disclosure gaps and enhancing our reporting. In particular we focused on progressing our environmental reporting in 2023, as we implemented the systems and gathered the data that will guide us on our path to net zero.

▼
In 2023 we installed 9,000m² of solar panels at our owned print sites in Oldham, Watford and Glasgow

- maintaining independent journalism, campaigning and the role of a free press in society;
- product stewardship;
- fair and ethical conduct;
- innovation; and
- making a wider economic contribution.

See page 32.

CREATING TRUSTED, QUALITY CONTENT

our responsible business framework

- sustainability governance and management;
- privacy and security;
- political considerations;
- the supply chain (shared);
- human rights;
- labour rights; and
- health and safety.

See page 36.

Our responsibilities...

- supporting diversity and inclusion;
- attracting, developing and retaining talent; and
- supporting a positive culture and wellbeing.

See page 40.

DEVELOPING OUR TEAM

- GHG emissions;
- energy and climate change;
- waste;
- biodiversity;
- other emissions, effluents and pollution;
- water;
- the supply chain; and
- speaking up for environmental issues in our editorial content.

See page 46.

PROTECTING THE ENVIRONMENT

OPERATING WITH INTEGRITY

Responsible business overview continued

Building on our responsible business framework

To ensure that people find our strategy credible and believe in our purpose, we must act responsibly with the communities and society we serve, our teams and the planet.

As a regulated news publisher in an era of global tech platforms and 'fake news', the responsibility is greater than ever. We must continue to enlighten, empower and entertain people everywhere through brilliant journalism they can trust, and maintain a position from which we can hold power to account.

Formalising our approach to responsible business

In 2022, we carried out a detailed materiality assessment and created a framework to formalise our approach to being a responsible, sustainable business – making it easier to manage and measure our progress. It provided a clearer articulation of our approach to environmental, social and governance (ESG) issues, ensuring it aligned with our purpose and business strategy, as you'll see over the following pages.

This formal framework set out an approach to responsible business that we had already in many ways exemplified, for example by upholding regulations and codes of conduct, representing and campaigning on behalf of those who need our voice, and producing our printed newspapers with as low a carbon footprint as possible.

In 2023, we built on the framework by commissioning a gap analysis to define where disclosure gaps exist against the methodologies recommended by Sustainalytics, MSCI and the Sustainability and Accounting Standards Board (SASB). As a result, we have enhanced reporting in many of these areas, though in some – in particular those involving complex editorial decisions – we agreed as a business to maintain existing levels of disclosure.

We're committed to continually challenging and improving the standard of our reporting, making sure we stay focused on the issues that matter most to our stakeholders.

Overview of materiality

Our 2022 materiality assessment included a review of current policies and direct engagement with our key internal and external stakeholders to establish their priorities in relation to the long-term sustainability of our business. In 2023 our Sustainability Steering Committee reviewed the material issues within our responsible business framework and concluded that they reflect the current ESG challenges and opportunities affecting Reach and our stakeholders. We will keep the relevancy and importance of these issues under continuous review throughout the coming year.

OUR STAKEHOLDERS

Our business and brands touch the lives of:

- Our people...** ➤ who work from home and in our offices, in communities and at print facilities – around the UK, Ireland and US;
- Our customers...** ➤ who give us their data and expect us to look after it, and who also expect to see themselves represented in our business, brands and journalism;
- Our communities...** ➤ whose voices we amplify and whose stories we share in good times and bad;
- Our advertisers and media partners...** ➤ who expect our platforms to respect and promote their messages in a way that's safe and secure for their own customers;
- Our suppliers and publishing partners...** ➤ many of whom are experiencing increased costs and supply challenges;
- Our shareholders...** ➤ who are invested in the success of our business;
- Pension funds and their members...** ➤ who expect us to deliver on pension commitments and treat them fairly; and
- Government and regulators...** ➤ who we work with to protect journalists and our brands while setting out plans to bring tighter regulation to global tech platforms.

Our section 172 statement can be found on pages 85 to 87. It sets out how the Board has, in performing its duties over the course of the year, considered the matters set out in section 172 of the Companies Act 2006, alongside examples of how each of our key stakeholders has been considered and engaged.

We report against the Sustainability Accounting Standards Board (SASB) framework on page 205.

Responsible business continued

CREATING TRUSTED, QUALITY CONTENT

We give a voice to others with our trusted, quality content

Our titles connect people and communities across the UK, Ireland, US and English-speaking countries around the world. We have a responsibility to our communities to deliver accurate, independent journalism everybody can trust and cover the issues that matter most to them.

Whether it appears in print or online, our journalism can give a voice to others, and draw attention to, or amplify, the causes they care for as we campaign, lobby and fight on their behalf. At a time when misinformation and disinformation threaten the credibility of the industry, our commitment to creating trusted, quality content as a regulated news publisher ensures people and communities have a news provider who will serve and stand up for them.

Relevant UN SDGs



MyLondon crime reporter talking to police about knife crime in shops and restaurants around Croydon

Responsible business continued

Creating trusted, quality content

Playing our part in a changing industry

We've always been proud of the prominent role our brands play in the vibrant and energetic free press that underpins our democracy – and understand the rights, privileges and responsibilities it brings.

We're committed to upholding the highest ethical standards of journalistic practice. As part of that commitment, we're a member of the Independent Press Standards Organisation (IPSO): an independent regulator of most of the UK's newspapers and magazines. As we say in our annual statement to IPSO: we have 'no appetite for behaviours or decisions that knowingly lead to the publication of inaccurate, misleading or distorted information'.

In 2023, IPSO notified us of outcomes in respect of 81 complaints, some of which were received in previous years. These are as follows: 17 complaints have been upheld by IPSO with the requirement to publish a full adjudication or correction; and 13 where the Committee deemed that sufficient remedial action (SRA) had been taken by the publication. 49 complaints were not upheld and 65 were resolved during the referral period. This is a significant improvement against outcomes last year – 62% of complaints not being upheld in 2023 compared with 48% for the same period in 2022.

Legal and ethics standards

In 2023, our legal and editorial induction programme became a mandatory part of the onboarding process, ensuring all new editorial colleagues receive training in legal and editorial standards and ethics.

The training touches on all elements of media law, with modules on IPSO and the Editors' Code as well as on Reach's required editorial standards. Monthly legal training has been provided, with a specific focus this year on refresher training for colleagues as well as specialist sessions for our magazine teams.

Alongside the training programme, all editorial employees are sent a monthly legal bulletin highlighting issues and updates – readership is mandatory and timely compliance is monitored and logged.

Regulated by IPSO

While we believe in holding ourselves to high standards, we're also an active member of IPSO, which acts as an independent regulator across many UK titles and enforces the Editors' Code of Practice.

We submit an annual statement to IPSO that sets out how we maintain editorial standards, our record on editorial compliance during the year, including any details of complaints upheld against us and how we handle them, and training programmes for our journalists. We publish the statement on our website.

"We're committed to upholding the highest ethical standards of journalistic practice."

Editorial freedom

Reach is home to many brands that differ in audience and political ideology but which are all built on the principles of freedom of speech and editorial independence. We welcome lawful expression from different perspectives, without exclusion. With no single title or contributor representing Reach as a whole, we are greater than the sum of our parts.

HOW WE ARE USING AI

Our editorial leaders formed a cross-functional AI steering committee in January 2023, focusing on productivity, innovation and governance. The group has worked together to accelerate AI experimentation and boost productivity gains with a primary focus on editorial uses of generative AI. The main objective of the group was to develop ways for AI to support journalists in their daily work, in combination with continued editorial judgement and approval. We are rapidly scaling the most promising AI applications and in 2024 we will be looking beyond the editorial teams to explore productivity gains in other departments.

The secret office supply is a "calculator".

the support of AI tools, generating 50M page views. Our editors notified readers when we began using AI and made a public commitment that every piece of AI-supported content will continue to be overseen and approved by a journalist.



Responsible business continued
Creating trusted, quality content

CAMPAIGNING ON BEHALF OF OTHERS

Day in, day out, our journalists cover the stories that matter most to the communities they serve. Our titles hold power to account on both a local and national level, give a voice to those who need it most and campaign against injustice.

This year, we established a group-wide editors' forum that meets every quarter to review and document the positive social impact of the content Reach produces.



THE LIVERPOOL ECHO'S POLITICIAN PARKING FINE EXPOSÉ

After a 16-month investigation, the Liverpool Echo revealed 14 local politicians had 51 penalty charge notices cancelled by officers over a five-year period which at full price would total more than £3,500. The investigation revealed poor practices and behaviours from those who had been elected to serve Liverpool and its people.

Following the investigation, two senior Liverpool councillors left the council, with one of them banned from standing again, and two more councillors also departed after the exposé. The investigation led to a full audit of the council's parking operations.

THE DAILY RECORD'S OUR KIDS OUR FUTURE CAMPAIGN

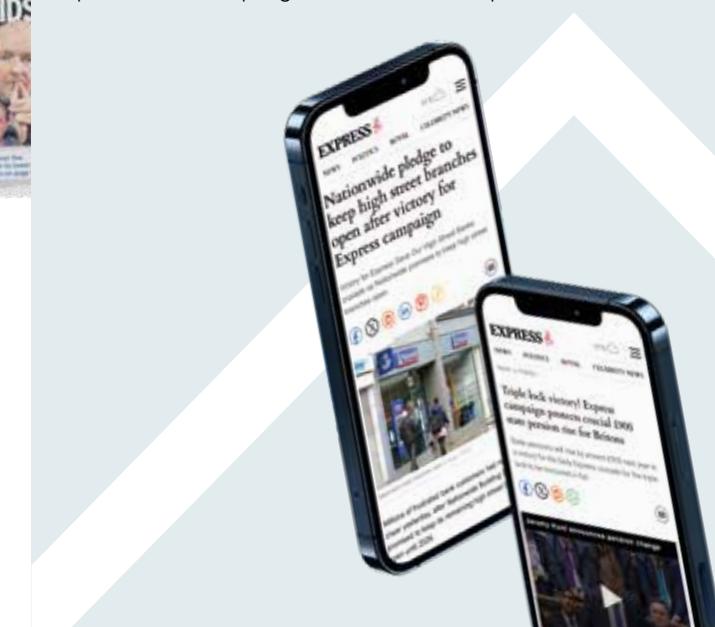
In February 2023, the Daily Record launched the Our Kids Our Future campaign in response to an epidemic of teenage violence in Scotland. The campaign called for the Scottish Government and local councils to ring-fence funding to ensure every community has a place for teenagers to go and demanded online tech giants fully enforce their policies on tackling harmful content such as videos of young people attacking others.

The campaign earned its place on the Government agenda and led to First Minister Humza Yousaf pledging to invest £2m to protect young people in Scotland. Humza Yousaf also wrote to the UK Government asking for an amendment to the Online Safety Bill to help tackle online clips showing attacks on children and this amendment was successfully approved into the Bill in July 2023. The Scottish Government held its first emergency summit on violence in schools as a direct result of the Record's reporting.



DAILY EXPRESS'S TRIPLE LOCK PENSION AND SAVE OUR HIGH STREET BANKS CAMPAIGNS

In 2023, the Express continued to give a voice to those who needed it most, as illustrated by its Triple Lock Pension and Save Our High Street Banks campaigns. The Express reigned its Triple Lock Pension campaign in 2023, again calling on the Government to protect and support pensioners and recommit to the triple lock. The title launched a petition to persuade the Government to stick to its manifesto promise, garnering over 300,000 signatures and resulting in the Government committing to its original promise. In response to warnings from analysts that almost all high street banks will be shut within four years, the Save Our High Street Banks campaign called for high street branches to be saved from extinction on behalf of the country's most vulnerable. Ultimately, the campaign celebrated a victory in June when Nationwide promised to keep high street branches open.



Responsible business continued

Creating trusted, quality content

**BIRMINGHAMLIVE'S COVERAGE OF BIRMINGHAM CITY COUNCIL'S BANKRUPTCY**

Fundamental failings at Birmingham City Council resulted in it failing to meet its financial obligations. BirminghamLive spent months reporting on the council and exposed a range of issues, from political coups to the mismanagement of refuse workers' hours. The title ensured that it was represented at every single council meeting where critical issues were being discussed, further exposing issues that would otherwise have gone without scrutiny.

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THE MIRROR'S SAVE OUR TICKET OFFICES CAMPAIGN

The Mirror launched its Save Our Ticket Offices campaign in July 2023 after it was revealed the Government had backed proposals by train firms to shut ticket counters at 974 railway stations across England.

With this campaign, the Mirror led the efforts to stop the closures, which would have particularly hit the elderly, vulnerable and disabled. Thousands of readers took part in an online rally in August, leading to the Government abandoning the overhaul.

**WALESONLINE INVESTIGATION**

A WalesOnline investigation led to real-world consequences for one direct sales firm in Cardiff. For several months, a member of the WalesOnline team went undercover to get a job with the company and used a hidden camera to expose a culture of lies and pressure-selling to manipulate vulnerable and elderly people into providing their bank details for charity payments. As our journalist discovered, staff at the business were lured by job adverts with empty promises of high salaries, only to be forced to work round the clock for far less than the minimum wage. The shocking findings led to the firm's involved having their fundraising contracts terminated, while the industry regulator is evaluating our footage to assess further action.

Responsible business continued

Operating with integrity



OPERATING WITH INTEGRITY

A proactive approach

We're committed to acting ethically and with integrity in everything we do, from how we source, report and disseminate our journalism, to how we run our business and treat our people. By upholding these standards, and meeting those set by regulators and expected by wider society, we're able to support our journalists and those our journalism empowers in holding authority to account.

In recent years we have continuously formalised our approach to key policies and practices for all our employees, as detailed in this section. We also have a number of training processes geared specifically around our editorial teams – see page 41.

Ahead of 2023 we took the decision to go to trial around several long-standing historical legal issues. This step and resulting judgment has given us the necessary clarity to draw a line under these issues and move forward as a business – read more on page 10.

Operating in an increasingly digital world brings additional challenges regarding data protection and cyber abuse. We now handle more of our customers' data than ever – and we must treat it carefully and give visitors to our sites a safe online experience.

Relevant UN SDGs



Responsible business continued

Operating with integrity

Improving ethical standards online

As we move more of our business online, our responsibility to our customers and advertisers is greater than ever. Customers deserve and expect a safe experience, while advertisers need to trust their ads will appear in appropriate environments.

Our machine-learning-powered brand safety tool, Mantis, ensures our clients' ads only appear in safe, appropriate environments, proving 100% accuracy and a faster safety categorisation, compared to traditional blocklist methods.

Reach remains an active participant in industry bodies. We comply with the Advertising Standards Authority's (ASA) Code for Non-broadcast Advertising and are members of The Trust Project, whose mission is: 'To amplify journalism's commitment to transparency, accuracy, inclusion and fairness so that the public can make informed news choices'.

Our CEO Jim Mullen has been the chair of the News Media Association (NMA) throughout 2022 and 2023, stepping down as planned at the end of 2023. Reach is also a Board Member partner of the Internet Advertising Bureau and a member of the News Media Coalition.

Data privacy progress

As customer data forms an increasingly important part of our strategy, we take our responsibilities in relation to privacy very seriously. To reduce the risk in how we handle and process data, we maintain a robust policy framework, deliver mandatory annual training for all employees and issue specific guidance on high-risk processing operations.

Protecting our customers and their data

In 2018, when the General Data Protection Regulation (GDPR) and the Data Protection Act (DPA) were introduced, we brought in policies, controls, procedures and mandatory training to manage personal data. Following our 2023 expansion into the US, we now also comply with US privacy laws such as the California Consumer Privacy Act, the Virginia Consumer Data Protection Act and the Utah Consumer Privacy Act.



The secret object #5 is a "vase".

DATA PROTECTION PRINCIPLES

In 2023, we developed a core set of fundamental principles to further embed a culture of data trust and integrity across every area of the business in all countries we operate in. These principles form the bedrock of our approach, inform our priorities and ensure we act with integrity when dealing with consumers' data.

Principles: Consumer trust and rights

Lawful processing

Reach only processes personal data where it has a legal basis to do so.

Fairness and transparency

Reach processes personal data fairly and honestly, and communicates openly with individuals on how and why their data is being processed.

Individual rights

Reach respects individuals' rights in relation to their personal data – including their rights of access, rectification, erasure, restriction, portability and objection – and provides timely responses.

Principles: Data management practices

Data minimisation and limitation

Reach only collects, stores and processes personal data that is relevant and necessary for the purpose for which it was collected.

Stewardship

Reach is committed to protecting individuals' privacy and has appropriate policies, practices and training in place for the safe handling, storage, sharing, retention and deletion of the personal data it processes.

Data security

Reach takes appropriate technical and organisational security measures to protect personal data throughout its data lifecycle, and requires the same standards from its third-party service providers.

Responsible business continued

Operating with integrity

Alongside our Data Protection Policies and controls, our data protection team performs a key compliance role, working closely with teams across the business. The data protection team works particularly closely with the legal team and other key stakeholders such as data management, information security and information technology, offering advice on, and support with, third-party contracts. It also supports other personal data needs, for example risk management, management of consent, data security and best practices for the processing, sharing and retention of data, including data transferred to third parties.

The data protection team also leads on personal data incident management and timely data subject rights compliance – for which we have comprehensive procedures.

Key policies and practices

Some things are non-negotiable, which is why we take a strong stand on areas such as anti-bribery, anti-corruption, anti-slavery and discrimination. It's also why we've put policies and practices in place to make sure our employees are treated fairly at work. Information regarding our policies is available to read on our website.

Anti-bribery and anti-corruption

- We comply with relevant anti-bribery and anti-corruption laws, and have put in place an Anti-bribery Policy and compulsory e-learning module on anti-bribery and anti-corruption for all employees. This module was completed by 98.4% of employees, with leavers and long-time absences accounting for the missing 1.6%.
- We require our suppliers, contractors and business partners to comply with the law and include mandatory warranties on anti-bribery and anti-corruption in our contracts to support this. We only work with suppliers, contractors and business partners that comply with the law.

Anti-slavery

- Our Anti-slavery Policy, in accordance with the Modern Slavery Act 2015, sets out our zero-tolerance approach to slavery, child labour, bribery and corruption – and indicates to employees what slavery, servitude, forced or compulsory labour and human trafficking might look like. It applies to all our employees and anybody who works on our behalf. Generally the UK is considered to be low-risk for modern slavery and, as a UK-based company that deals overwhelmingly with UK suppliers, we believe we have minimal exposure to modern slavery.

OUR HUMAN RIGHTS POLICY

The policy states that:

- we issue clear contracts of employment, make sure working hours are well within the working time directive maximum thresholds, and commit to never forcing our people to opt out of working time regulations;
- we pay employees for the work they do and provide holidays and rest periods in line with regulations;
- we monitor holiday usage with our leave and time management process, and regularly encourage colleagues, directly and via managers, to take their full entitlement;
- we pay above the national minimum wage, and never subject anyone to forced labour; and
- we have no zero-hour contracts.

Code of conduct and discrimination

- Our code of conduct makes it clear we won't accept discrimination of any kind – including against gender, race, disability, sexuality, religion or age – in line with the law. To reduce the likelihood of discrimination taking place, we communicate policies and make them available to all employees, promote awareness when we recruit and train our managers in inclusive hiring.

Disciplinary and grievance processes

- Every Reach employee has the right to be heard and the right to a fair hearing; they can also seek advice through our Employee Assistance Programme.

Inside information

- As Reach is a listed company, we have an established Inside Information Policy, which is approved by the Board and ensures our employees are aware of our obligations under the Listing Rules and the Market Abuse Regulation.

Whistleblowing

- Our whistleblowing charter, which is reviewed by the Audit & Risk Committee, and a confidential, independent whistleblowing line promoted on our intranet, enable all employees to report concerns about the integrity of the business or breaches of our policies without fear of criticism or discrimination.

Our employees complete compliance courses relating to many of our policies and practices, plus courses including cyber security, editorial policy and corporate criminal offence. We aim for 100% of employees to complete courses relevant to their role. In 2023, we saw a 98.5% completion rate, with leavers and long-time absences mainly accounting for the missing 1.5%.

Responsible business continued

Operating with integrity

Working together to achieve a safe working environment

We understand that engagement is essential to improving health and safety across every area of our organisation. With this in mind, we continue to engage with our employees across all departments to ensure that our safety messages and culture are embedded. Our goal is to ensure that our teams feel personally invested in Reach's safety objectives and goals. We believe that this approach will help us create a safer and more productive workplace for everyone.

Reach is a dynamic organisation with two key operations: Reach Publishing, which covers newsgathering and commercial activities, and Reach Printing Services. In 2023, the two operations continued to grow closer together, with their respective health and safety units becoming aligned and working closely together to standardise and share best practices.

Our commitment to health and safety was recognised in 2023 when both health and safety teams achieved the RoSPA Order of Distinction Award – the 19th consecutive Gold for Reach Plc.

2023 also saw the move to a single certification for the ISO standards across Reach Printing Services, with all sites now certified to ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety). With a single certification confirmed by an accredited certification body, Reach Printing Services has

shown its commitment to health and safety and the confirmation of a single process to control, manage and improve safety across its print sites, emphasising employee participation and management involvement.

In addition, we prioritise online safety, with a dedicated Online Safety Editor leading the way internally and with external bodies and decision-makers. While this is most frequently concerning our people's mental wellbeing, there is a physical safety aspect too, which sees the Online Safety Editor working closely with our security team and Health & Safety to put additional protections in place when necessary. For more on online safety, see page 41.

Key changes we've made

This year, we've continued to gather the latest news stories across the globe, from reporting from war zones in Ukraine and Israel to covering earthquakes in Marrakesh and Turkey, to exposing the real impact of climate change from glaciers in Argentina. To enhance the safety of our people on the ground we've been working with teams across several departments to create a safety travel team.

This team has rolled out a new travel risk assessment platform that allows us to work collectively to create one single assessment that covers all areas of risk. The process is open and transparent so the requester can track progress and feel actively part of the assessment process. Since the platform's initial roll-out, we have seen a monthly increase in its use, and the user experience and approval process have been continuously improved as the tool has been integrated in both our national and regional teams' practices.

In addition to the new travel platform, we have also streamlined some of our risk assessment processes by creating engaging and concise safety information that enables our people to efficiently assess risks.

We have also made improvements to our fire safety processes by adopting a new, shared, digital fire risk assessment, which has helped us reduce risk quicker and communicate the assessment more efficiently.

Health and safety performance in 2023

In 2023, information on four accidents reportable according to Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) was passed to the Health and Safety Executive – an increase of one from 2022's data.

We investigated each event and acted accordingly. All four were reported under the 'over-seven-day incapacitation' requirement. This is when an employee is off work or not able to perform their normal duties for seven days or more as a result of a workplace accident.

Reportable accidents under RIDDOR

	2019	2020	2021	2022	2023
RIDDOR events per year	2	1	3	3	4

Health and safety enforcement activity

No health and safety enforcement action was taken against Reach in 2023.

Planning for the future

At Reach, we're committed to creating the safest working environment possible. That's why we have a rolling two-year roadmap for health and safety, and we're always looking for ways to continuously improve this, including benchmarking ourselves against other leading media outlets and also across other industries.

Responsible business continued

Developing our team



DEVELOPING OUR TEAM

Taking care of our people

Our progress as a business is dependent on the talents, skills and passions of our people. This year, we supported our teams through change with a continued focus on open communication, working together to be a more inclusive organisation, and supporting people in their personal and family lives.

Relevant UN SDGs



19
Inclusive
Top 50 UK
Employers
ranking

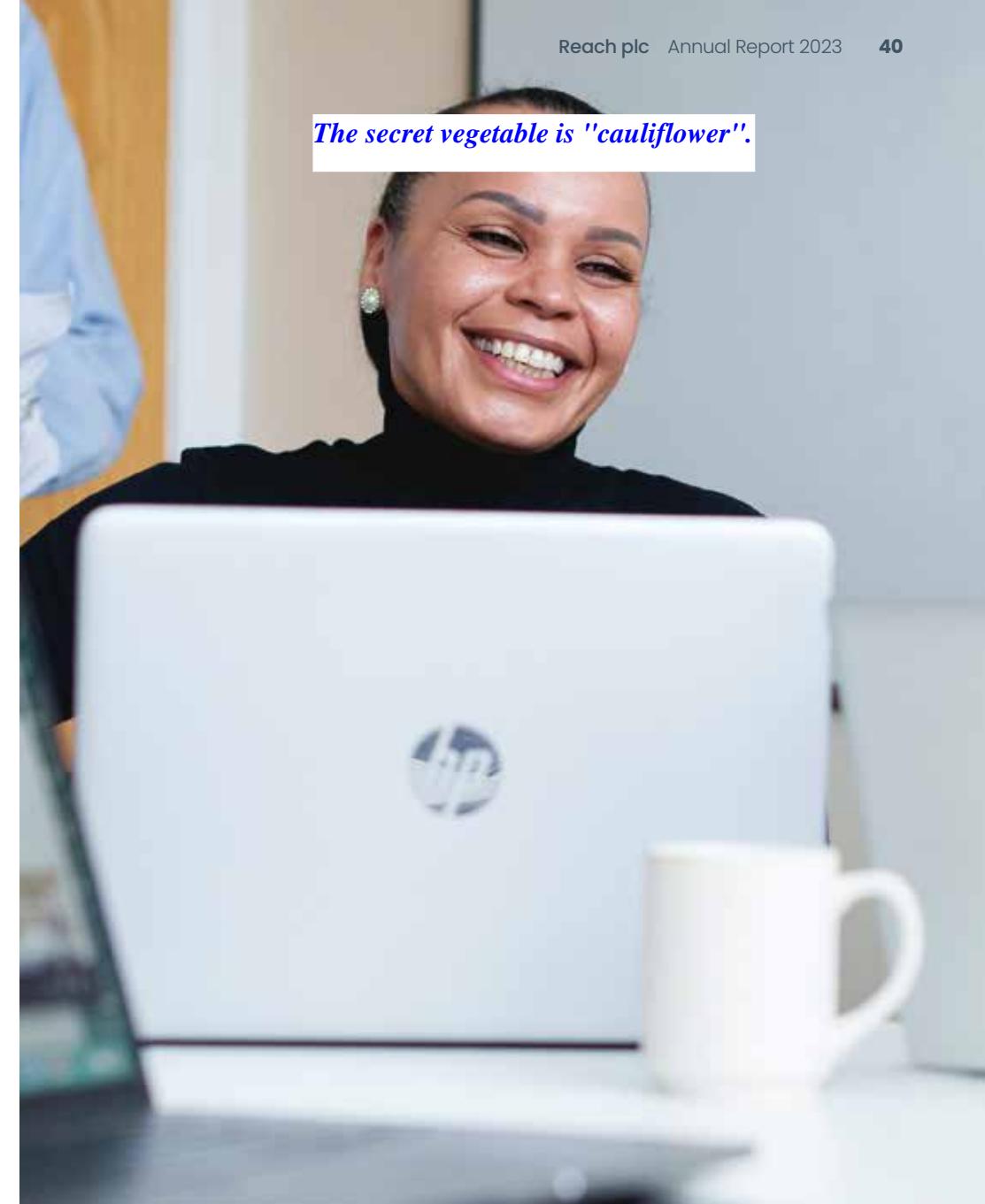
86%
Company-wide
participation
for Be Counted
inclusion data

18
trained
wellbeing
champions

27
trained Online
Safety reps

49
apprentices
trained

The secret vegetable is "cauliflower".



Responsible business continued

Developing our team

Supporting our people's mental health

We take our responsibility to support our people very seriously and we provide several tools to help do this, while also signposting options available via multiple touchpoints through the year, both in written and verbal communications.

Our Employee Assistance Programme (EAP) offers 24/7 advice via a dedicated phone line and the Spectrum Life app, which all employees can access. The app provides support including guides for wellbeing and nutrition and a BeCalm space for guided meditations. A total of 237 calls were made to the phone line in 2023 – 146 of these were consultations and 91 were for advice.

We further support mental health by providing wellbeing training sessions for managers and employees and by working with 18 trained wellbeing champions across the business. They have many responsibilities, including advocating wellbeing and mental health awareness, raising awareness of resources such as our EAP, being there for people as a point of contact for questions and support and, sometimes, as a listening ear.

An external partner trains each champion in mental health first aid (MHFA). The training helps them to spot triggers and signs of poor mental health and to gain confidence on how to reassure and support a person in distress. It also helps our champions understand mental health, educating them on common issues and how to challenge stigma.

Reach is made up of...

3,706
permanent employees

2,418
in editorial teams

596
in commercial teams

353
in print teams

339
in other vital areas, such as
product and finance

Protecting our people from online abuse

Journalist safety was a continued focus for Reach in 2023 and we continue to lead the industry by employing a designated Online Safety Editor to support our people. The Online Safety Editor also leads on research and speaks on this important issue with tech platforms, Government officials and other external bodies. Our work protecting our people was highly commended at the Digital Publishing Awards, with the jury recognising that prioritising the safety of journalists is a significant step in protecting independent journalism.

In 2023, 109 of our employees officially reported some form of online abuse related to their work, including threats, sexual harassment and harmful personal comments. 26 of these cases were subsequently reported to the police.

We also saw an increase in threats received online. In response, we have the IT team to manage messages.

We launched an Online Safety Rep network in 2022, which currently has 27 trained volunteers working in teams across the organisation to provide first-response support and, signposts to help and resources, as well as raising awareness of effective online safety protections. The Online Safety Editor co-ordinates the network and provides regular training and updates for the network members.

We have also continued to make use of the Reach Hive initiative, which supports employees experiencing a backlash against content on social media. It was deployed five times in 2023 against action including swarming accounts, which were part of a significant organised and targeted backlash. The Reach Hive initiative provided a robust response from online safety, security, HR and health and safety.

In 2023, Reach continued to work with industry partners Women in Journalism (WiJ) and provided free training and workshops to all Reach employees and WiJ members, for example working with the Suzy Lamplugh Trust to provide a session about stalking. In addition, we've partnered with the Coalition Against Online Violence, a global network of organisations working to make the internet a safer place.

Responsible business continued

Developing our team

Inclusion at Reach

At Reach, we break down our diversity and inclusion approach into two simple ideas: diversity is who we are, and inclusion is what we do. We see improving inclusivity as an ongoing process and are aware that we are responsible for taking an inclusive approach not only to our people but also to our audiences.

In 2023, Reach was ranked in the Inclusive Top 50 UK Employers List for the third year running, moving from 29 to 19.

Our three core inclusion focuses for 2023 were managers, data and outreach.

Managers

Inclusion efforts in 2023 focused on helping managers embed inclusive leadership behaviours into their everyday work. We also successfully communicated the importance of managers' accountability by launching DIY D&I, enabling managers to participate in workshops that enhanced a more inclusive team culture. DIY sessions were available for managers to run with their teams independently.

We also updated our menopause toolkit to help both colleagues and their managers. The toolkit shares the most common symptoms of menopause and perimenopause and provides advice and help so our people feel more comfortable talking about it. Suggested supports include offering a change in working hours, an adjustment to shift patterns,

increased comfort breaks and ensuring workspaces are well-ventilated, to name just a few. We also delivered menopause awareness training for line managers to run with their teams independently.

Data

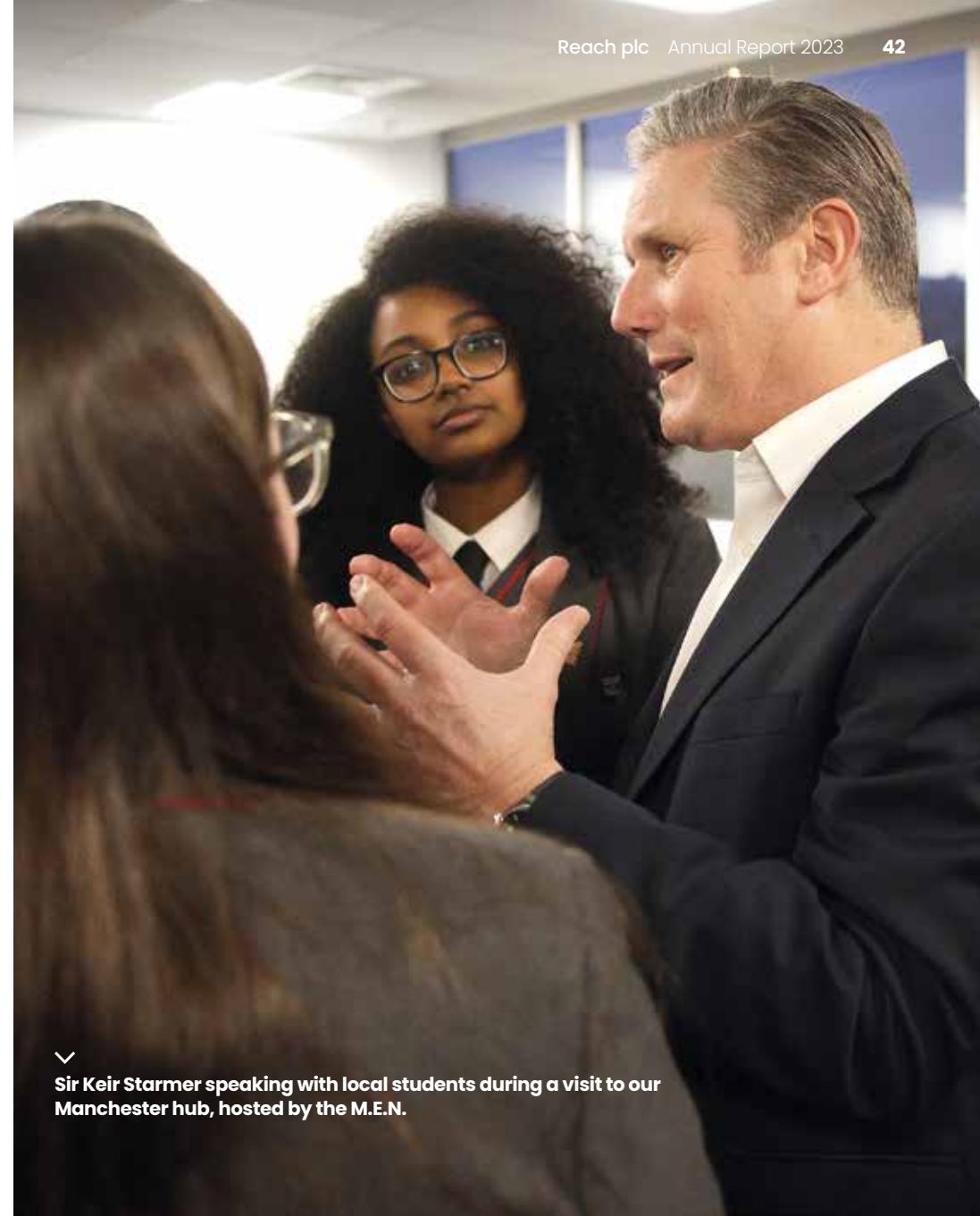
Our Inclusion strategy continues to be led by data. Be Counted is our ongoing campaign, launched in 2021, which uses data to better understand the make-up of our teams. Gathering data allows us to spot gaps and opportunities to improve inclusion and then focus our efforts on where we can make the most significant difference. In 2023, we maintained our targeted Be Counted completion rate, with 86% of employees contributing to our data-gathering. Our people shared data on characteristics including social mobility, educational and occupational backgrounds, and caring responsibilities, as well as more traditional data, such as ethnicity and sex.

Outreach

We made outreach a more explicit part of our 2023 Inclusion strategy this year. Here are some of the initiatives that gave opportunities to different groups across the UK.

ChangeMakers Media Challenge

The ChangeMakers Media Challenge, in partnership with youth charity Causeway Education, was a six-week summer outreach programme in social mobility hotspots for students from state-funded schools. The students received virtual masterclasses



Sir Keir Starmer speaking with local students during a visit to our Manchester hub, hosted by the M.E.N.

Responsible business continued

Developing our team

and mentoring across the summer and were tasked with creating a media campaign to improve the lives of 16- to 24-year-old readers. More than 30 colleagues participated in and supported the programme. As well as having the opportunity to join the Mirror's editorial conference and hear from CEO Jim Mullen, the students got the chance to pitch their campaigns to a Reach judging panel, with the winning teams taking on further work experience in Reach newsrooms.

WalesOnline Outreach Programme

In February, WalesOnline hosted a group of teenagers from Grangetown, Butetown and Riverside for a taster day to help them understand how the media works and show potential routes into journalism. In partnership with community group United2Change, 17 teenagers spent three hours in WalesOnline's newsroom attending the morning conference, speaking to reporters and content editors, creating news lists and gaining an awareness of all aspects of modern reporting, including engagement, analytics and content.

Include Summit

Reach was one of the main sponsors of the 2023 Include Summit, the UK's largest conference focused on equality, diversity and inclusion in sport. Our colleagues from the M.EN, Mirror and Curiously participated in panels, exhibitions, events and workshops. Reach also joined forces with the BBC and Sky to lead a discussion on the need for under-represented communities to fill more decision-making roles in sports media.

Networks

Colleague networks remain a vital part of inclusion at Reach. In 2023, the business evaluated how the networks were working, combining some networks while expanding others. One new network was created in 2023, ReachSustainability, connecting like-minded people across Reach to raise the profile of ESG initiatives and champion best practices around sustainability. For more information on ReachSustainability, please see page 47.

One of the most successful network initiatives in 2023 was Meno-Chat, which enables colleagues to connect and gives our people a confidential and safe space to talk about menopause.

Editorial inclusion work

For our people to feel their work is making a difference in society and for our brands to remain popular, the content of our journalism must represent both the diversity of our teams and the communities it reaches.

This year, we refined several ways to help our editorial colleagues achieve this. Our Editorial Inclusion Board (EIB) reviews our processes and content through an inclusion lens, creating a feedback loop to make our people's voices heard. This year, we completed our Inclusive Reporting programme. Led by our EIB and working with external partners, the programme helps our journalists feel comfortable reporting on different topics and communities inclusively and sensitively. The programme featured topics including (but not limited to) race, sexual and domestic abuse and transgender identity.

Our Speak Up for Inclusion process allows Reach colleagues to share any concerns about editorial content that could be more inclusive. A panel of editorial colleagues from across Reach editorial teams manages a feedback inbox and discusses the next steps and overall trends.

Celebrating inclusion in our journalism

Since its launch in 2022, The Belonging Project has continued to bring about a permanent culture shift in our newsrooms. The project aims to ensure a clear plan is in place across all newsrooms to reach underrepresented communities, encourage more inclusive reporting and maintain consistent engagement with marginalised groups. In 2023, the scope of The Belonging Project was broadened to include socioeconomic factors, recognising the importance of intersectionality in inclusion. The Belonging Project article with the most page views of 185.6k was from the Manchester Evening News, focusing on the uplifting story of Jason Williams, who turned his balcony into a beautiful 'cloud garden' after struggling with his mental health through lockdown. What started as a small, city-centre balcony garden led to his exhibition at the Chelsea Flower Show.

The total number of The Belonging Project page views from February 2022 to December 2023 was...

27.4M

with

69%

of these page views attained in 2023

Average articles published per month have gone up...

62%

in 2023 vs 2022, and average page views per month are up

104%

as a result

Responsible business continued

Developing our team

Supporting people with disability

We've continued our commitment to giving fair consideration to applications for employment made by disabled people, bearing in mind the requirements for skills and aptitude for the job. In the areas of planned employee training and career development, we strive to ensure that disabled employees receive equal treatment on all available benefits, including opportunities for promotion. We make every effort to ensure that continuing employment and opportunities are also provided for employees who become disabled, where reasonably practical to do so. In addition, we are founding members of the Valuable 500, a disability-focused business collective – read more about this below.

Mentoring programmes

In 2023, we ran the following four cross-company mentoring programmes to address representation in the talent pipeline.

Mission Gender Equity

The secret animal #2 is a "penguin".

...
a mentoring programme that works with participants from other companies to help accelerate the careers of high-performing women and improve gender balance at senior levels.

Generation Valuable

Run by the Valuable 500, a disability-focused business collective, Generation Valuable is a first-of-its-kind 12-month programme for rising talent with an attachment to disability. In 2023, one mentee with leadership experience, who self-identified as being disabled, was paired with CEO Jim Mullen as a mentor.

Mission Include

Mission Include is a nine-month scheme designed to support the career progression of groups underrepresented at a leadership level and supports protected characteristics, including socioeconomic background and neurodiversity. Reach provided both mentors and mentees, and participants were matched with people from other companies.

The Bridge

The Bridge was a nine-month programme pioneered by our ethnicity inclusion network, ReachCulture, which paired together mentors and mentees from within the business, for both traditional and reverse mentoring. The Bridge helps to remove barriers to progression for colleagues from underrepresented groups and gives mentees the knowledge, access and tools they need to advance their careers.

Gender pay gap

In 2023, we again reduced our gender pay gap – the median pay gap from 8.9% in 2022 to 7.0% and the mean pay gap from 10.5% in 2022 to 9.1%.

For more information on the gender split of directors, other senior managers and all employees, see page 92.

Changing our teams

The business contended with a range of challenges in 2023, including increased costs, a decrease in referral traffic in page views and ongoing macroeconomic uncertainty.

In order to respond to these challenges we had to prioritise two actions: putting a comprehensive cost-reduction plan in place, and continuing to reshape our organisation to better respond to the digital landscape.

This plan included reducing the sizes of our teams, across all departments, a challenge for all our people. Throughout this process we have continued to provide support to impacted individuals and to work closely with our relevant unions and other partners.

The impact that these actions have on our teams is not taken lightly. However, these cost reductions were necessary to maintain the strength of the business against difficult conditions and to solidify its position as a digital publisher moving forward.

Proactive employee communication

As we worked through the changes of the year, we made proactive, two-way communication with our leaders and teams a priority. Jim Mullen, our CEO, devotes significant time to communicating with employees at all levels of the organisation and across all functions, not only around financial results but throughout the year. He hosts regular breakfast discussion sessions, both in-person at our hubs and virtually, and invites people to ask him questions and give feedback.

This year, more than 200 people attended 23 breakfast and afternoon meetings with Jim. On average, they rated their experience 8.6 out of 10, with people praising Jim's openness, honesty and commitment to connecting with his colleagues. On Fridays, Jim sends an email update to all colleagues highlighting success stories, commanding colleagues for their work and sharing essential business updates.

Our Executive Committee runs regular virtual and in-person events with our teams to share updates and encourage dialogue. Members of our Executive Committee speak openly about our challenges and opportunities and share information about the wider business.

We regularly share Company news, updates about our financial results, stories about our people and event information through our intranet and email newsletter, connecting all our employees with what's happening in our business.

Responsible business continued

Developing our team

We also invite our people to join Connect & Learn virtual teach-ins on critical strategic focus areas, meet people in other departments, find out about the brilliant work that's going on and share feedback. One example in 2023 was the session on the success of the OK! Beauty Box.

Keeping in touch through surveys and Check-ins

We invite our people to share their thoughts and feelings about working for Reach through our monthly Pulse engagement survey. On average, 58% of our people complete the survey each month. Line managers can access responses, review comments and identify trends using the data to reach out to people and find new opportunities to keep them engaged.

Our people keep in touch with their managers through Reach Check-ins; these monthly, informal one-to-ones enable managers to speak honestly and openly with their teams on anything from wellbeing to performance. We also ask our people about these Check-Ins with their manager in the monthly Pulse survey.

We also monitor retention rates and absenteeism as critical indicators of engagement and satisfaction. In 2023, the voluntary rate of employee turnover was 9.65%, reduced from 14.4% in 2022. The retention rate (defined as employees in Reach's employment for the full 12 months) was 88% compared to 95% in 2022. In 2023, the Group's absenteeism rate (which follows the standard definition used by the Advisory,

Conciliation and Arbitration Service) decreased to an average of 1.35%, from 1.7% in 2022.

We made two additional support payments to help alleviate the cost of living burden going into 2023 for colleagues on salaries of £50,000 or below. Eligible colleagues received two £200 payments, paid in December 2022 and January 2023. The pay review for 2023 focused on lower earners and we continue our commitment to offer our employees the Living Wage Foundation rates as a minimum.

We also continue to offer competitive employee benefits, including:

- a defined contribution pension scheme (matched up to 6% for new joiners);
- Company funded healthcare for all employees which includes GP access and the opportunity for colleagues to claim back money on health and wellbeing costs, including prescription, dental and optical fees;
- enhanced family leave policies;
- paid volunteer day which gives colleagues the opportunity to support causes important to them;
- discounts at several retailers, including supermarkets;
- loan schemes, including rail season tickets, cars and technology purchases;
- financial support for those who are worse off as a result of working from home; and
- money towards the cost of equipment for home workers.

In addition, all employees have the opportunity to participate in a group bonus scheme annually.

Enhanced family leave

Family life isn't always straightforward and we want to recognise that to support our colleagues. Our Carers' Leave Policy offers up to five days of paid leave per year to support people with caring responsibilities. Our neonatal leave offers up to 12 weeks' additional paid leave for either parent, if their baby needs neonatal care. Partners have been added to many existing policies, including IVF paid leave and pregnancy loss leave, to increase support beyond mothers who have given birth. We offer two-week bereavement leave and all employees coming back to work after losing somebody can choose to phase their return.

Our apprenticeship programme

The future of news publishing requires a mix of brilliant journalists, digital experts and astute commercial minds and our apprenticeship programmes are helping to find and train them. This year, 49 apprentices participated in our programmes covering data, communications and journalism roles. Roughly half of these people were new starters looking for opportunities in the industry while the other half were existing employees looking to develop further within their roles.

Talent: evolution and future

Despite its challenges, 2023 provided a backdrop for a number of opportunities for role creation, expansion and growth at Reach. In 2023 there were 186 internal promotions and 4.3% of those were promotions into senior roles.

The year also provided an opportunity to create 238 new roles which reflected the changing landscape in which our business operates and the direction we intend to take.

In addition, our local newsrooms continued to provide training to newly graduated journalists, and in 2023 we supported 79 trainees passing their Certificate of Journalism course while employed by Reach titles.

The external recruitment process was also fine tuned in 2023, and we moved away from spending with big recruitment agencies and focused on developing our own internal talent acquisition team. This shift enabled us to more efficiently leverage talent acquisition technology and scale our talent acquisition function to keep pace with changing business needs.

Responsible business continued

Protecting our environment



PROTECTING OUR ENVIRONMENT

Protecting our environment for future generations

Every person, business and community on the planet must play their part in safeguarding the environment and in essence all our futures. At Reach, our responsibility is twofold. We must, like all businesses, reduce the negative effects our operations have on the environment, while identifying and acting on opportunities to enhance it. But we also have the power to influence others to do the same by promoting awareness of environmental issues – both on a local and global scale – across all our publications.

Every day, we give millions of people who read our news, entertainment and sport the knowledge they need to make better, more informed decisions about their own impact on the environment. And through the stories we share, and the championing role we play, we also help people fight back against destructive actions carried out in towns, cities and countries all over our planet.

Relevant UN SDGs



The Watford print site team on their annual litter picking day

Responsible business continued

Protecting our environment

Our environmental campaigning in 2023

We have dedicated environmental reporters in England, Ireland, Scotland and Northern Ireland who enlighten and empower people everywhere by reporting on the environmental stories that matter to the future of our planet. Below is only a small selection of their great work from 2023.

In July, the Mirror exposed the 'catastrophic' consequences of Britain's love affair with fast fashion. An investigation revealed that Ghana's capital, Accra, contains a toxic mountain of ditched clothes and garments left to rot.

The Manchester Evening News teamed up with the Royal Horticultural Society (RHS) to launch a competition to give away £1,000 of RHS vouchers to the resident with the best idea for transforming their shared ginnel (fenced or walled passageway) into a blooming community hub.

The Express continued to report on the biggest environmental stories from around the world. Back in March, the title exclusively revealed the Government's plans to make the UK a world leader in green offshore wind energy. This exclusive led to further investigations that revealed the supply chain behind the sectors creating clean power.

Irish Reach titles teamed up on a campaign focusing on the climate crisis during 2023. As Ireland has pledged to reach zero carbon emissions by 2050, the campaign sought to

answer questions on how the world can kick its fossil fuel addiction. Reach for Zero ran across eight Irish titles including the Irish Mirror and DublinLive.

The year also saw the Daily Record launch its Bin the Vapes campaign, highlighting the shocking rise in pollution from disposable e-cigarettes, which was championed by MSP Gillian Mackay. New legislation around disposable vapes is now likely to pass in Scotland and more widely in the UK in 2024.

How our people are supporting sustainability

In 2023, we formed the ReachSustainability network, which allows people across the business to connect over their shared passion for promoting sustainability, while championing best practices around sustainability, both at home and at work.

The network joined forces with Oxfam in the autumn to launch its first environmentally focused colleague campaign, 'Reach does Second Hand September'. The campaign encouraged colleagues to shop second-hand and donate, reuse, re-wear and restyle during September. We worked with Oxfam to provide a donation bin at every Reach hub across the UK, encouraging our people to donate unwanted items.

We also hosted a Q&A session open to all Reach employees with Oxfam's senior independent fashion adviser and used clothing guru Bay Garnett, led by Reach Ireland's environmental correspondent.



In September the Reach Sustainability network hosted an event with Bay Garnett, stylist and sustainable fashion advocate, to celebrate Second Hand September

Making Reach more environmentally-friendly

Our Environmental Policy has highlighted several key areas of focus, including energy consumption, waste management, paper procurement and Volatile Organic Compounds (VOCs). All of these are required in volume to deliver content to our audiences and we are determined to continue to find new and innovative ways to manage our operations that are more environmentally-friendly. To deliver on this ambition methodologically, we have implemented a continuous programme of audit and analysis through our ISO 14001:2015 Environmental Management System (EMS). This system enables us to reduce and mitigate risks and to identify and act on opportunities to increase sustainability.

Energy is our biggest direct source of emissions. Print production and, increasingly, digital media are both energy-intensive processes. We continue to identify and take energy-saving actions, such as the delivery of our facilities efficiency programme and the procurement of renewable electricity at our hubs and manufacturing sites. This year we installed over 9,000sq m of solar panels at our owned print sites in Oldham, Watford and Glasgow.

All three sites are now generating their own power and are largely self-sufficient during daylight hours. Our combined PV generator output of 2,000kWp – enough to power 217 average UK households – gives us a ready source of renewable energy at our print sites that makes our products even more sustainable.

Responsible business continued

Protecting our environment

The indirect impacts of a business's operations are as important as the direct impacts. We are committed to accurately measuring and reducing our Scope 1, 2 and 3 emissions, in line with the Paris Agreement. We have now managed to baseline our full Scope 3 emissions for the first time, a challenging task which was completed in 2023.

To help reduce the energy used within our digital processes, including Reach Publishing, we have adopted best practices for cloud-based technology in order to achieve significant emission reductions. During 2023, we have continued to find efficiencies and improvements which will reduce our associated emissions and strive to continue this downward trend throughout 2024. Enhancements are focused on cloud efficiencies and an increased use of AWS renewable energy sources.

With the assistance of our EMS, we can continually review, identify and implement opportunities to reduce negative environmental impacts. This includes initiatives such as substituting conventional lights and carbon-intensive equipment with energy-efficient alternatives, responsibly procuring equipment and incorporating more recycled materials into our processes.

Each of our print sites has a dedicated team responsible for encouraging employees to look after their work environments and specific environmental action areas. This year, they carried out litter picks across the sites, acted on energy-saving initiatives, shared best

practices and continued to develop and deliver their Toolbox Talks on waste management, recycling, pollution control, energy management and biodiversity.

Environmental governance and the path to net zero

Our Environment, Social and Governance (ESG) Steering Committee, chaired by our Chief Financial Officer, sits under our Board Sustainability Committee. The ESG Steering Committee met three times in 2023 and all meetings were well attended by representatives from relevant departments from across the business. The Committee oversees all our environment-based key performance indicators (KPIs), including our emission reduction targets and actions and the timeframes to achieve them. These targets were set in 2022, based on the data available at the time and were approved by the Sustainability Committee.

In 2022, we commissioned external experts to put together a materiality assessment, an important step in informing our future ESG agenda. The assessment led to a five-year climate strategy, approved by our Sustainability Committee. This presented our ESG Steering Committee with a set of strategic targets and an overall ambition to focus on and it has been measuring and ensuring progress towards these targets throughout 2023.

We have continued to make progress with TCFD in 2023 by identifying the physical and transitional risks posed by climate change, as well as the opportunities that may arise as a

result of the transition. Our cross-functional team continues to meet to assess our risks and opportunities and engages with relevant employees to ensure environmental-based risks, issues and opportunities are being identified as well as robustly managed and mitigated. In 2023, we have undertaken a quantitative assessment of our most material climate-related risks. See more in our Risk report on pages 66 to 72 and our TCFD report on pages 54 to 64. The ESG Steering Committee and Sustainability Committee will continue to monitor the progress against our strategy.

Having a thorough and full understanding of our Scope 3 emissions is an essential part of our climate strategy. We have been expanding our reporting on categories since 2019 and in 2022 made great progress on reporting greenhouse gas (GHG) emissions. In 2023, we are proud to have continued that progress by completing a full baseline of all of our GHG emissions. We identified 11 'upstream' and 'downstream' Scope 3 categories relevant to Reach, three of which are particularly

prevalent: 'Purchased Goods and Services', 'Upstream Transport and Distribution' and 'Use of Sold Products' (includes digital emissions). The graphic below shows the breakdown of these emissions, with Purchased Goods and Services being the largest contributor to our GHG emissions.

The Scope 3 categories not deemed relevant to Reach and which therefore will not be reported, are:

- **Category 9** – Downstream Transport and Distribution (our distribution of goods is covered in Category 4);
- **Category 10** – Processing of Sold Products (Reach does not process intermediate products);
- **Category 13** – Downstream Leased Assets (Reach had no sublets in 2022); and
- **Category 14** – Franchises (Reach does not have any franchises).

Breakdown of Reach baseline emissions 2022

